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# West Europe Report

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9 October 1985

## WEST EUROPE REPORT

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POLITICAL

AUSTRIA

KIRCHSCHLAEGER ON POLITICAL SCANDALS, COALITIONS

Vienna PROFIL in German 19 Aug 85 pp 12-15

[Interview with President Rudolf Kirchschlaeger of Austria conducted by Walter Schwarz and Josef Votzi during his vacation in East Tirol: "It Begins With Infractions"; date of interview not given]

[Text] PROFIL: Five years ago, on the occasion of the AKH [Allgemeine Krankenhaus] scandal, you called for drastic clean-up action. Now you are forced to repeat this request. Unfortunately, the impression arises that things are getting increasingly worse in this country. What effect did your first appeal actually have; do you not have grounds for resignation or at least for reflection?

Kirchschlaeger: I always have reason for reflection, but not for resignation. If I again issued a very serious admonition for definite change in Klagenfurt, it is because I believe that that is necessary from time to time in order to keep circumstances from automatically being accepted as normal because of the fact that they are not criticized. I am not able to tell you the extent of the success of the order of 5 years ago, nor the extent of its lack of success. My exhortation to change or to a moral revival has been interpreted primarily in the sense that it was because of our image abroad. It was that, too. But, I am more concerned with the domestic effect. Because I am afraid that young people, but also those who are adult and elderly and who have served this republic honorably, are losing confidence that it was all worth it. We are accustomed to treating illnesses with different operations, among them imprisonment. It seems to me that prevention lies in a stronger ethical, moral orientation of individuals.

PROFIL: But is this not true: The president of the republic says something; the media applaud; everyone nods: He was good, he made a lot of sense--but nothing at all happens? Scandals have increased both qualitatively and quantitatively since 1980.

Kirchschlaeger: Unfortunately, the 1980 appeal did not bring about the reversal I had hoped for. But look: The church has been preaching the Ten Commandments for 2000 years; it has been a good bit longer since Moses, and people have always only partially followed these commandments. I do not believe that I am more powerful than all those who have done that so far. But

I do not intend to keep quiet. I would at least like to tell those who are interested in what is right and what is wrong that I consider this to be right and I consider that to be wrong. My pet project has always been the fight against minor offenses. For there is a fine line between minor offenses and this gray area...

PROFIL: ...the rogues' republic...

Kirchschlaeger: ...all right, we could actually go into that; it would not be too terrible.

PROFIL: In your opinion, exactly where do these notorious minor offenses begin?

Kirchschlaeger: They begin with the little infractions of which people are still so proud. They begin with the evasion of customs duties, with traffic violations, when one says: I won't get caught. They begin with unreported property damage to automobiles, with tax cheating.... Everywhere that one says: Well, everyone is doing it.

PROFIL: That is obviously how the "bacillus of dishonesty, deceitfulness and neglect of duty" of which you spoke in Klagenfurt thrives. Were you also referring to general political and economic morality?

Kirchschlaeger: No, I meant specifically the wine scandal and the bribery of a public prosecutor. Thus anything can happen if one does not educate more strongly in the basic values.

PROFIL: This education cannot consist simply of moral appeals, however worthwhile they may be. It is also necessary to react to specific scandals in a tangible political manner. Are sufficient political consequences following?

Kirchschlaeger: Certainly my appeal also was aimed at a strengthening of the family as a community for life and education with the function of setting examples, which is the parents' responsibility.

PROFIL: But, begging your pardon, stealing is not going on within the family but on the national political scene. The impression always remains that politicians work things out among themselves after such scandals. Does politics apply the moral standard to itself?

Kirchschlaeger: If we use the wine scandal as an example, how should politics react, other than in the initiation of criminal proceedings--but that is a legal question--, through a strengthened law? Others besides the president of the republic should also stand up for the virtues in public functions. We have, in fact, forgotten this word. I am aware that when I first used it, it caused a bit of a surprise that it was being spoken about. You say that the things are not happening in the family. That is true, but it is within the family that individuals are molded.



PROFIL: Is there no further salvation for adults who have already been processed by the family?

Kirchschlaeger: No, I do not believe that, but it is easier if young people are taught from the beginning that there are certain things which one does not do. But that is the terrible thing--that the family no longer has that attraction, cannot perform that lasting function which it should perform.

PROFIL: Isn't this ruined family, ruined nation comparison somewhat oversimplified?

Kirchschlaeger: Heavens, the interpretation should not be so narrow as to assume that I am saying that I am making the family healthy and I will then have no more problems. In the twenties and thirties, when the family was still relatively all right, we also had scandals. Think about it--the scandals we have had just since 1945...

PROFIL: ...Haselgruber, Polcar...

Kirchschlaeger: ...Krauland, unfortunately...

PROFIL: The political consequences of these infractions are however for the most part limited to this "unfortunately." Let's take the AKH scandal...

Kirchschlaeger: ...and the Burgenland WBO [expansion unknown] scandal...

PROFIL: ...then they were played out according to the model. The criminal side was settled in court, but politically everything stayed with the same people. Or are you possibly aware of political consequences which resulted from these scandals?

Kirchschlaeger: Certainly the fact that controls have been set to prevent such situations.

PROFIL: Political responsibility in the sense of personal responsibility was not noticeable.

Kirchschlaeger: I think that the conviction has been arrived at that such political responsibility does not exist.

PROFIL: And did that satisfy you as president of the republic?

Kirchschlaeger: Now look, it does not seem to me that the president of the republic should make determinations in the area of political responsibility, but that each organ which calls a functionary into service must always make that decision. For political responsibility is ultimately a responsibility to the voter.

PROFIL: And the president of the republic retreats to the position of a moral admonisher who remains rather abstract. Isn't it about time the president of the republic was...



Kirchschlaeger: ...recalled?

PROFIL: ...well at least could become a little more concrete.

Kirchschlaeger: Oh, even more concrete? I believe that I have done what reasonably lies within my sphere. It is not true that the president of the republic ought to perform political control functions, that he should say that a reshuffling is necessary here; this does not seem reasonable to me.

PROFIL: But even the purifying power of the state governed by law through the courts has been questioned for some time in this country. In politically sensitive proceedings, like AKH, Proksch and Co., there were and there always are political instructions which influence the progress of the proceedings. You yourself were a judge for years: Is this instrument of the instruction so above board that the impression does not arise again for the citizen that something is being fixed?

Kirchschlaeger: I consider the right to instruction reasonable. If here also, as in so many things, a control is necessary--and it probably is--, I can imagine that through verifiability of such instructions, that such instructions be submitted in writing, that the rule-of-law principle will be satisfied. Thus the door is opened to supervision through the parliament.

PROFIL: What role should the parliament play?

Kirchschlaeger: When there is a parliamentary fact-finding committee or when a parliamentary inquiry is set up, the minister must be in the position to be able to say: I have given this instruction or I have given no instruction in this matter. There is no longer any interlocutory instruction, any understanding: Could you perhaps, or wouldn't it be reasonable if... That ought to be eliminated. Instructions yes, but they should be made openly.

PROFIL: Let's consider for a moment the subject of the shaken confidence in government based on the rule of law. A financial penal code amendment was prepared which raises the threshold for court action for tax offenses from 500,000 to 1 million schillings. And that was at the very time when the Androsch tax case was in court, within a hair's breadth of this cutoff.

Kirchschlaeger: I will not now take a position in the Androsch case nor in the entire area which is being discussed. I have taken no position in the past, and I will not do so today. What the 500,000 schilling cutoff, viewed rationally, involves is this: In court proceedings, all monetary limits have repeatedly been raised. I consider that reasonable to avoid overloading the courts.

PROFIL: But the timing of this "value adjustment" at the rate of 100 percent gives rise to the assumption that a "Lex Androsch" is being created. Can the president of the republic sign such a law?

Kirchschlaeger: The president of the republic must sign a law whether he agrees with it or not. I do not have right to control content, only a formal right. That is why I do not usually argue with the content of a law.

PROFIL: In principle: Can the chairman of a nationalized bank who has been convicted of tax evasion retain his position?

Kirchschlaeger: Here the theoretical question comes to the practical answer...

PROFIL: But here the moral revival also becomes concrete.

Kirchschlaeger: ...That is certainly true. I have, with good reason, never included this set of issues in my interviews and public declarations. I do not wish to deviate from that; I'm sorry that I must disappoint you.

PROFIL: As a cure-all for the rehabilitation of the scandal republic, from time to time a constitutional reform is extolled, on the Swiss model, with a binding provision for a concentrated government. Its nickname: "Third Republic."

Kirchschlaeger: This thought in itself has little appeal for me. We have actually had good results with our 1920 constitution and its 1929 amendment, which were recognized again in 1945. To effect political goals with changes in the constitution does not seem to me to be the appropriate course. When the time, the public opinion, is right for such a concentrated government, the present constitution provides the potential for establishing it without additions. I do not believe that such a form of government should be established through force. I also believe that this call for a third republic implies that the second republic has been wrong since its inception.

PROFIL: Is the time right for a Great Coalition considering the existing problems--keywords: budget, nationalization, pension insurance?

Kirchschlaeger: Certainly there are and have been many reasons to favor a Great Coalition. But, I believe that the parties must not be bound in this to make marriages which do not seem to be suitable at a given time. I have never made a secret of the fact that I would welcome a Great Coalition. I also left no doubt when forming the government about where my preferences would lie.

PROFIL: Does that mean that in 1983 after the elections you wanted a Great Coalition?

Kirchschlaeger: Yes, I would have preferred it. Of course, I did not tell the newspapers this, but I did make this observation to party representatives. But it fell through for personal reasons, perhaps also to a certain degree because of the Zwentendorf issue.

PROFIL: In light of the Glycol affair and the Rabelbauer Republic--has the Great Coalition now become more relevant?

Kirchschlaeger: I don't believe that a Great Coalition--the period from 1945 to 1966 also bears this out--would have prevented and held off these things. For we give it too much praise in retrospect. Along these lines it deserves none. The thing that appeals more to me than a Great Coalition is the continuation of the social partnership. That is, in my opinion, a true coalition of reason, which is not based so much on the balance of power. That is also the reason that in this country undivided governance and the Small Coalition have always brought comparatively reasonable results.

PROFIL: That means that in your view even the Small Coalition has proved to be worthwhile?

Kirchschlaeger: I believe that no form of government, as long as we take democracy seriously, is discredited. Only individuals can discredit themselves.

PROFIL: For example in the Frischenschlager-Reder Affair. Minister Frischenschlager certainly discredited himself there.

Kirchschlaeger: I don't know. Here I have the impression that many people have forgotten who intervened in Reder's favor beginning in 1952 and who visited Reder in Gaeta. I believe that, because of an atmosphere which perhaps prevailed within the Small Coalition, such an affair was not wisely handled.

PROFIL: Did you consider it wise that Frischenschlager remained in office?

Kirchschlaeger: I understood that he was not removed from office for this matter.

PROFIL: Recently, in an ORF interview, you brought the Zwentendorf issue, a persistent skeleton in the closet of domestic politics, back into play by calling for a new plebiscite instead of the customary maneuvering. Nothing has happened; the maneuvering has started again.

Kirchschlaeger: A decision will have to be made. It is a fact that when Zwentendorf is mentioned many other things are meant. In politics, no matter what anyone says, it is better to tell the truth, and the people appreciate it. I am not in favor of clever maneuvering; in fact, I don't consider it very successful.

PROFIL: Then when will a final decision be made?

Kirchschlaeger: It can hardly be later than this year or the first half of next year at the latest, since it has been pending for too long.

PROFIL: So it won't be put off until after the next election?

Kirchschlaeger: Unless one or more parties openly announce that if they receive a majority they will decide the issue in one way or another.

PROFIL: Does that also apply to Hainburg?

Kirchschlaeger: If one believes that it is possible to afford to carry out energy policy thus by deciding this issue only after the elections, this issue certainly does not have the urgency of Zwentendorf, since nothing is already sitting there, which could be put into operation and which is getting older, to avoid using the term "obsolete." The meadow can get older with no consequences; there is certainly no harm in that. I am in favor of a possibly moderate improvement of the Danube to the east of Vienna.

PROFIL: An additional dispute has come to you as the commander in chief of the federal army: missiles--yes or no?

Kirchschlaeger: On the one hand, I insist that the international treaty must be upheld. For my part, I have repeatedly stated in interviews that we have interpretational control for missiles also, such as Finland reserved for itself. I believe, however, that as long as one has not covered surveillance planes in the budget, that one should not begin a major debate about missiles, if one does not also have the carriers for the missiles, the planes. Rather, after an appropriate time and in a politically rational period, which will hopefully be brought about by a certain relaxation of tensions, an effort will have to be made to reach an interpretation of the international treaty with the four signatory nations.

PROFIL: A problem for the nineties?

Kirchschlaeger: I see that as a possibility.

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9 October 1985

POLITICAL

BELGIUM

## COMMENTATOR ON BELGIAN ROLE IN EAST-WEST RELATIONS

Brussels KNACK in Dutch 31 Jul 85 p 33

[Commentary by Rik Coolsaet: "Where a Small Country Can be Great;" "If Belgian Diplomacy can Play a Role in the Disarmament Talks, it is Now."]

[Text] The impasse is total. Is detente dying, or have we already pronounced its funeral oration? International understanding seems to be lacking, negotiations barely do more than fall on deaf ears, and Star Wars looks like a slowly ticking time bomb.

Moscow and Washington admit that the first round of Geneva negotiations was a waste of time. Their points of departure were too far apart, and it is very much the question whether there will soon be a change in that. Robert McNamara fears that his government still doesn't realize that arms control and Star Wars are inconsistent. It is said that some in Moscow are not far from deciding to simply wait until Ronald Reagan's second term of office is finished and then to see what a new president has to offer.

What makes the situation even more serious is that also the big West European countries are barely interested in foreign policy any longer. France, the Federal Republic of Germany and the United Kingdom have to take care of increasing political and economic challenges which demand all their attention.

Since the disappearance of De Gaulle, France has never very much advertised a policy of detente in Europe.

The West German government of Helmut Kohl perhaps will never recover again from the two SPD [Social Democratic Party of Germany] victories in Saarland and North-Rhine Westphalia. In Bonn, Kohl's succession is discussed almost openly.

In the United Kingdom the Iron Lady is corroding away. The Tories are now scoring lower than the opposition, and in elections in Wales and England they have lost over half of the local administrations.

The governments of the three largest West European nations have picked up their marbles from the game of international politics. Only the French are



keeping the appearance of dynamism with EUREKA but EUREKA has more to do with the industrial future of France than with the security of Europe.

If that neglect of the East-West relations drags on for a long time, Europe will merely ensconce itself in a long and frustrating period of great insecurity and immobility, with an unbroken chain of unilateral and thus destabilizing steps which will lead us to a higher, more precarious level of armament. We will drag ourselves from crisis to crisis, and each time the continuation of Star Wars will increase a little the unpredictability and instability in every one of those crises.

#### Way Out

Also our country has given up its traditional role of bridge builder between East and West. Leo Tindemans said at the beginning of 1984: "In diplomacy, just as in politics, the problems should be approached in the correct order, otherwise one will become hopelessly entangled. And at this time, in my opinion, clearing the transatlantic climate has priority over detente between East and West. For that matter, the latter cannot be dealt with satisfactorily if the West-West relations don't improve first."

Belgian diplomacy has become a nonentity. We no longer exist for Eastern Europe. In Poland Tindemans was given a quick repartee, and in Moscow he was practically declared a persona non grata after his last visit there. Budapest did not want to receive an important CVP [Flemish Social Christian Party] delegation at the level hoped for. The situation in which Belgian diplomacy was an important and attractive discussion partner for both East and West for many years no longer exists. The time of the late Albert Willot, who came up with one disarmament scheme after the other, is past.

The darker the impasse, the clearer the light will have to be to find the way out. And in spite of all the somberness above, the situation is perhaps not as hopeless as it seems. It is somewhat early to predict the direction in which the foreign policy of the Gorbachev team will move. However, it is cautious to claim that to the extent the relations between the superpowers deteriorate, the possibilities for contacts between East and West Europe increase. The first indications already exist. Gorbachev froze his nuclear arms against Europe, but not those against the United States. The EC and COMECON [Council for Economic Mutual Assistance, CEMA] are to have a new meeting. Erich Honecker picked up his pilgrim's staff again. Willy Brandt and Craxi were told in Moscow that from now on not everything will be seen merely in the light of relations between Washington and Moscow.

If Andropov becomes the mentor of Gorbachev's foreign policy, as was the case for his economic reforms, then a new start for a European policy of detente is not impossible. Especially if it became clear that Western Europe is also at the same wavelength. A Belgian decision to return the 16 Florenne missiles could be such a signal. Militarily insignificant, it might open a channel for a closer bilateral contact with East Germany or Czechoslovakia. With two of us we are already being more creative than alone--and creativity in foreign policy has become so rare in East and West that the little there is of it should be cherished as a gem.

Some East European authorities--and not those least responsible--have understood that they will have to react to such a Belgian initiative with an equivalent answer, which politically has the same symbolic value. And even if the maneuvering space of each small country remains limited, our diplomacy might perhaps influence the chess game at some point and continue to weave the net started 15 years ago by the Harmel exercise.

[Box]

KNACK regularly opens its columns to guest authors. Rik Coolsaet is connected with the SEVI [Study and Documentation Center of the Emile Vandervelde Institute], the research service of the Socialist Party.

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POLITICAL

BELGIUM

PS'S GLINNE ON FEDERALISM, RELATIONS WITH SP

Brussels LE SOIR in French 21 Aug 85 p 2

[Interview with Ernest Glinne, Walloon federalist and PS [Socialist Party] member, by Guy Duplat, in the PS office; time not given]

[Text] Federalism will probably be one of the major topics of the upcoming electoral campaign, particularly in the Socialist Party. The PS has made "radical federalism" one of its principal objectives. By signing an agreement with the Walloon interregional FGTB [General Federation of Labor of Belgium], the PS had "radical federalism" ratified by the trade union movement. But are there not certain ambiguities, indeed dangers, in this slogan? That is what Ernest Glinne, European deputy, has been asking himself. A confirmed Walloon Federalist for all his life, he is now attacking those who are making federalism an end rather than a means. Those who wish to build federalism on hatred for the Flemish rather than on the love of the Walloons. Ernest Glinne, isolated inside the PS office, does not believe that he is isolated inside the French-speaking Left. We met with him in the office of the PS, which on 26 August is to put the final touches on the party's electoral program.

[Question] Everyone is now saying that he is a federalist but not in the same way, you feel. There is probably even an ambiguity concealed within this term, as during the referendum on participation which caused the departure of General de Gaulle. The prime minister at that time, Georges Pompidou, asked Alain Peyrefitte: "Do you know what participation is? No one has ever explained it to me."

[Answer] Federalism could well suffer the same misadventure as the one which befell participation. In our days, everyone--or almost everyone--claims to be a federalist; however, that word unfortunately covers very different realities ranging from simple administrative decentralization to separatism.

The Ecumenical Spirit of the CVP

[Question] Can you give me some examples?

[Answer] For some there is federalism when at least 50 percent of the national budget is transferred to the regions and communities. Others feel

that one can only speak of federalism when taxes are collected directly by the communities and regions and partially paid back by them to the state. That is the inverse situation of what we know today. In the current state of minds, such a concept would threaten to ruin what is left of our national solidarity.

Yet others cannot understand the idea of federalism except in terms of confrontations and fights about everything, particularly about the orders of the central government, of reproaches against the other party for being responsible for the decline we have experienced or for the economic development which they claim is the work of the private sector. That is negative federalism which poorly conceals the opinion that it would be better to live without the other party rather than to live with it in a different way. For its part, the CVP [Social Christian Party], in which the ecumenical winds have never blown very strongly, has a very particular idea of federalism. It is a system in which the national government abandons all the authorities it possesses in sectors in which this party feels the Flemish are not now receiving their share. This federalism, then, has no other objective than to divide up in a different way and solely for the benefit of Flanders Belgium's expenditures by retaining the preponderant share at the central government level. That is a cynical but perfectly clear concept, and one would have to be in a daze to allow himself to be taken in by it.

[Question] But for you, the current application of federalism is not without inconsistency?

[Answer] As a matter of fact, the will to be more efficient and to simplify is greatly lacking. The mandates of the regional and community councils must clearly be incompatible with a mandate from the national parliament. And the force and image of the Walloon regional executive do not readily lend themselves to the survival of the provincial councils and to an extremely excessive recourse to Article 18 which permits the appointment of officials --outside the normal rules of promotion and recruitment--in the Walloon administration.

[Question] What do you think about the agreement signed between the PS and the Walloon interregional FGFB, whose purpose was to transfer to the regions and communities a sufficient sum of money (600 billion) to allow them to make real allocation choices?

[Answer] These proposals which are probably worthy of presentation in detail fall within the framework of a logic developed with a concern for appeasement and balance. The only way we can put an end to the continual confrontations between the country's North and South is by giving each of them sufficient autonomy. It remains to be seen how these proposals will be received, not only by the other parties, but also and above all by public opinion. For it is public opinion which continues to be the great unknown, also the most important unknown. There will be no real solution to Belgian problems and, consequently, no lasting revision of the Constitution so long as the federalist idea continues to be poorly experienced at the level of individuals and the political apparatuses for not having been experienced enough at the

people's level. Federalism is neither an end in itself nor a foodstuff that is force-fed by strokes of legislative texts. It has to correspond to the evolution of minds and to be understood as a need. If not, it is condemned to disappear at the same time as the texts that attempted to impose it.

#### Naive Wallonia

[Question] However, has Wallonia called for federalism for a very long time?

[Answer] In Wallonia, the time of federalism in the 1960s was a time of naivete. They thought that greater administrative autonomy was going to go hand in glove with an identical national solidarity. Disillusionment had to follow. Today, the people have a vague feeling that if federalism represents more authority for their leaders, it also doubtless means for them fewer services and advantages for the moment. From that comes their hesitations, their lip service at the same time as their real reticences, their moving back also to a past that will not return, however. An authentic federalism--based on the love of one's own people and never on hatred for others--cannot really take root in Wallonian and become an integral part of popular conscience except on condition that in said popular conscience there is development of a mentality favorable to it. That supposes rejection of moroseness, of the ineluctable nature of things, of bitterness at the same time as dependence vis-a-vis the outside world. That also supposes that importance will be placed upon values such as the sense of responsibility, the desire for permanent formation, the passion for innovation and creativity, a strong desire for the 21st century, all of which are of a nature to give rise to an amnesic vision of the failures of the past, to be turned entirely toward the conquest of the future, in a new Europe and in the world.

If we do not wish to build federalism on sand or, worse yet, to obtain effects contrary to those we have sought, it is time to think about it, at least in a consensus of the socialist parties with the maximum of social forces.

#### No to Asymmetrical Government

[Question] You speak about consensus. Therefore, you do not accept the hypothesis of an asymmetrical government put forth by Mr Spitaels?

[Answer] You are talking about the PS in the government and the SP in the opposition. I will fight with all my strength against a coalition which would not include the entire socialist family. For that would be taking an enormous step up the ladder of confrontation and destroying what is left of the solidarity within the progressive movement on Belgium

[Question] Has the agreement between the PS and the Walloon FGFB caused tensions inside the FGFB?

[Answer] That agreement should not prevent a common agreement of the PS and SP with the national FGFB on subjects such as social security. That is a question of political will...It is more widespread than one might believe; however, there are some who feel it is inopportune to show this political will before the elections.



[Question] In Anvers, Jean-Maurice Dehousse explained that he preferred a Walloon employer to a Flemish worker?

[Answer] As a socialist, I have always distrusted sacred unions which lead to excesses of nationalism and to the loss of the identity of the socialist movement.

[Question] Are you not isolated in your desire to use sparingly the bridges between the PS and the Flemish Left? All the more so because the SP is not very kindly disposed toward the PS!

[Answer] I think that in the depths of the socialist movement, in the North and in the South, a number of activists feel that way. We must not confuse the necessary reform of the state with the dislocation of the progressive movement.

[Question] What should the PS do, then?

[Answer] There has to be a change in tone. The electoral prospects are not too favorable for dialogue; however, we have one day to find one another again if we wish to apply radical federalism. I hope that we will prefer a discussion with the SP over an entente with the CVP. We will not apply our program by means of an armed insurrection or by a general strike. The states general of Wallonia will not be able to resolve the problem. Negotiation will be necessary. And for statutory as well as political reasons, in-depth talks should be engaged in with the SP. Better sooner than later.

8143

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POLITICAL

BELGIUM

# POLL RESULTS TRANSLATED INTO SEAT GAINS, LOSSES

Brussels DE STANDAARD in Dutch 29 Jul 85 p 3

[Article by MDW [Expansion unknown]: "If 13 October 1985 Were like 17 June 1984"]

[Text] The majority's electoral position is shaky. There is not the slightest doubt about that. But whether the present coalition actually loses its majority will only become clear on the evening of 13 October--possibly late in the evening. For, after all, it is not the votes received that count but the seats won. The four parties of the present coalition received (only) 47.7 percent of the votes in the Parliamentary elections of 1981. Nonetheless, with 113 out of 212 seats in the Chamber of Representatives, they had a majority of seats (53.3 percent of the total number).

Opinion polls that show the governing parties losing their majority (of votes) must thus be handled with caution. This is also true because the seat apportionment--and parallel to that the voting system's secondary distribution of votes--can make for surprises. Thus we have already shown here that the Communists will probably disappear from the Chamber purely due to seat apportionment. "Translating" the results of the European elections of 17 June 1984 into the results of Chamber of Representatives elections--and taking seat apportionment into account--now shows that PS [Walloon Socialist Party] would lose two seats despite a 0.7 percent gain in votes.

## Actual and Hypothetical Composition of the Chamber of Representatives

[See below for expansions of abbreviations]

<u>Party</u>	<u>1981</u>		<u>1984</u>		<u>Difference</u>	
	<u>% of Votes</u>	<u>Seats</u>	<u>% of Votes</u>	<u>Seats</u>	<u>% of Votes</u>	<u>Seats</u>
CVP	19.7	43	19.8	44	+0.1	+1
SP	12.6	26	17.1	37	+4.5	+11
PVV	13.1	28	8.6	18	-4.5	-10
VU	9.9	20	8.5	18	-1.4	-2
Agalev	2.3	2	4.3	6	+2.0	+4
VI. Blok	1.1	1	1.3	1	+0.2	-
PSC	6.7	18	7.6	19	+0.9	+1
PS	12.6	35	13.3	33	+0.7	-2
PRL	8.2	24	9.4	23	+1.2	-1
Ecolo	2.1	2	3.9	9	+1.8	+7
FDF-RW (1)	4.2	8	2.5	4	-1.7	-4

[Names of parties:

CVP--Social Christian Party

SP --Flemish Socialist Party  
PVV--Party of Liberty and Progress  
VU--People's Union  
Agalev --To Live Differently  
VI. Blok--Flemish Bloc  
PSC --Christian Social Party  
PS --Walloon Socialist Party  
PRL --Liberal Reform Party  
Ecolo --Expansion unknown  
FDF-RW (1)--Democratic Front of Brussels French-Speakers--Walloon Rally (1)]

This simulation, carried out by the Political Science Department and Professor of Statistics Jaak Billiet of the Catholic University of Louvain, also provides an answer to the question of what the composition of the next Chamber will be if the voters vote in (approximately) the same way as in June 1984. Let us look at the specific results province by province.

#### Antwerp

In Antwerp province, the Turnhout district receives an additional seat from the seat apportionment.

CVP would keep its 12 seats. It does lose one in Antwerp voting district but wins an additional one in Mechelen.

VU loses its seat in Mechelen and as a result would have four seats rather than five.

Agalev wins three seats, all in the Antwerp voting district, which means that it loses its Mechelen seat. The net win is one seat.

PVV loses two of its six seats, both in the Antwerp voting district, where the Liberals would only retain two seats.

SP wins an additional seat in each of the three voting districts and thus would hold 10 seats in the province.

The Flemish Bloc would retain its one seat in Antwerp.

#### Brabant

In Brabant, the Brussels voting district loses one seat and Nivelles gains an additional one.

CVP wins five seats, as compared to four now, and thus reaches a total of eight for the province.

VU, with four seats, would stay as it now is.

Agalev would now win one seat in the Brussels voting district.

Both in Brussels and in Louvain, PVV loses one of its three seats, and thus falls from six to four.

For SP, there is an additional seat each in Brussels and in Louvain (its total is now six).

On the French-speaking side, PRL (with Nols on its list) does well: in Brussels it wins two seats (from five to seven).

Ecolo gains an additional two seats in Brussels and rises to three.

PSC loses one seat in Brussels but its win in Nivelles (from zero to two) still brings it an additional Brabant seat.

FDF loses two of its six Brussels seats.

PS loses one seat in Brussels, wins one in Nivelles, and thus stays at five.

KP [Communist Party] loses its seat in Nivelles, because in none of the three voting districts does it win the percentage required to benefit from the provincial seat distribution.

RW too would lose its Nivelles seat.

#### West Flanders

West Flanders retains its 23 seats in the Chamber.

CVP would win nine of them, the same as it has now. There is an internal shift: Roeselare rises from two to three seats, Courtrai falls from three to two.

SP climbs from five to seven Chamber seats, by winning one seat each in Bruges, Veurne-Diksmuide-Ostend, and Courtrai. The Ieper seat is lost.

PVV loses one seat in Veurne-Diksmuide-Ostend and Roeselare-Tielt but wins one in Ieper, so that the final total is four Chamber seats, a loss of one.

VU too loses one seat, in Bruges, and thus falls to three.

#### East Flanders

Oudenaarde loses one seat in the seat apportionment.

CVP wins nine seats compared to ten at present. That is due to two changes: in Sint-Niklaas it wins an additional seat, but it loses both Oudenaarde seats.

SP enters the new Parliament with two additional seats: one in Ghent-Eeklo and one in Sint-Niklaas, for a total of eight.

PVV has to give up three of its eight seats, two in Ghent-Eeklo and one in Sint-Niklaas.

VU loses one seat in Sint-Niklaas and in Dendermonde but wins one in Oudenaarde. Result: four seats, down one.

Agalev would win two seats in East Flanders, one in Ghent-Eeklo and one in Dendermonde.

#### Limburg

Each of the Limburg voting districts, Hasselt and Tongeren-Maaseik, acquires an additional seat through seat apportionment.

CVP wins one seat in Hasselt and thus ends up with six.

SP wins three seats each in Hasselt and Tongeren-Maaseik, in place of its current two in each district.

PPV on the other hand loses one seat in each district and retains only one in the whole province.

VU wins one seat in Tongeren-Maaseik and now has three.

#### Wallonia

The four Walloon provinces lose three seats through seat apportionment. Mons, Tournai-Ath-Mouscron, and Liège each have one less, Namur gains one.

PS loses three seats in Hainaut and wins an additional one in Namur (net result: down three [sic]).

PRL loses one seat in Hainaut, Liège, and Namur.

PSC stays as it now is, by losing one seat in Hainaut and winning one in Liège.

Ecolo wins three seats in Hainaut, one in Liège, and one in Namur.

RW and KP lose a seat in Liège.

#### New Faces

The final result can be seen in the above table. Notable is PS's loss, which we had already noted, despite its slight increase in votes. It appears that the French-speaking Socialists, along with KP, will have to bear the losses from the seat apportionment (where Flanders gains two seats at the expense of Brussels and Wallonia). In reading the table, it must be noted that RAD-UDRT [Respect for Labor and Democracy--Democratic Union for Respect for Labor], which was good for three Brussels seats in 1981, did not take part in the European elections.

These differences in voting behavior, along with the seat apportionment, would have a great effect on the composition of the Chamber. Compared to the Chamber elected on 8 November 1981, a Chamber elected on 17 June 1984 would have had no fewer than 40 new faces (out of 212 Representatives). Will things be different after 13 October?

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POLITICAL

CANADA

# MULRONEY SEEN PASSIVE ON U.S. USE OF NORTH-WEST WATERWAY

Montreal LA PRESSE in French 13 Aug 85 p 6

[Article by Marcel Adam: "The U.S. Has Successfully Tested Mulroney's Resolve"]

[Text] On Sunday, the American icebreaker "Polar Sea" was leaving Canadian arctic waters to enter American waters en route to Alaska, the end of a voyage undertaken on 1 August from Thule, Greenland, and continued via the North-West passage.

We know that Canada has always considered this maritime passage to be part of its inland waters and that consequently no foreign ship may take it without its permission. But because the United States is of the opinion that this strait is an international passage, it did not believe that it had to do anything more than inform Canada that the "Polar Sea" would use this waterway from this to that date.

The Canadian authorities did not formulate any concrete gesture asserting Canada's sovereignty over this passage.

While the press and several specialists were alerting public opinion and reminding the government of its duty to formulate an official gesture of protest so that this precedent would not invalidate, in international law, its claims to sovereignty over these waters, Mulroney kept silent.

It is true that on the eve of the icebreaker's departure, Ministers Clark, Mazankowski and Crombie published, in extremis, in order to save face, a communique announcing that they had "authorized" the ship's passage. In granting an authorization that had not been requested, the government showed itself to be spineless in the face of humiliation and weakened its position in this dispute.

It is obvious that the Americans wanted to test the resolve of the new prime minister and his government, as they had done a little while after Trudeau's coming to power. But the latter had not hesitated to assert, in words and action, Canada's sovereignty over the North-West passage when the United States decided to have the "Manhattan" make a round trip there in 1969.

For 16 years, it no longer dared to repeat the offense. But the coming to power of a government led by an extremely conciliatory man, who attaches much value to friendly relations with the southern neighbor, emboldened the Americans to try their luck another time. This time, they were not mistaken in their wager: the Canadian prime minister showed himself to be a true friend of the United States.

What is troubling in this affair is that the United States has less consideration for a faithful and loyal friend like Canada than for an enemy like the USSR. The latter also claims sovereignty over the North-East passage, on the other side of the North Pole. As the United States contests this claim just as much as it does Canada's, it twice decided to take this passage about 20 years ago, but each time it turned back after the USSR protested forcefully and announced that it would intercept the intruders.

The United States understood the message and has since then given up taking this allegedly international passage.

Which once again shows that in international relations the States do not have friends, but interests, and there is no use in claiming to be in the right if you do not have the force or the will to protect your territorial integrity by official and striking diplomatic acts, accompanied, if necessary, by at least symbolic manifestations of strength.

When a small country like Canada leaves it almost entirely up to its powerful neighbor to ensure its security, when it even gives up providing itself with the military equipment necessary to protect its borders and its coasts, it exposes itself to being subjected to, even on the part of its protector, the type of affront that has just been inflicted on it.

In defense of the Mulroney government, it must be said that it was the preceding government that made the country's sovereignty so vulnerable. For example, Canada does not have a single icebreaker, a single surface vessel or submarine capable of navigating in the North-West passage to demonstrate Canadian sovereignty there. Worse yet, it has not even taken the elementary precaution of registering on its maps the mark of its sovereignty over these arctic waters.

While acknowledging that the United States was justified in formulating this gesture in order to support its claim to the international character of this maritime passage, in order to support the contrary claim, Canada had no other choice than to protest with force and to formulate a symbolic gesture of sovereignty. The Americans would perhaps have persisted in their design, but besides saving its honor, Canada would have been in a better position possibly to defend its cause before an international court.

This being said, I wonder whether the United States is serving its strategic interests well by trying to make out of this waterway an international passage, where the Soviet Union might carry out activities that are forbidden to the Americans in the North-East passage, in the name of a de facto sovereignty that they acknowledge to the USSR.

POLITICAL

FINLAND

BASIS FOR REUNITING SQUABBLING CP FACTIONS SEEN NONEXISTENT

LD142151 Helsinki INTERNATIONAL SERVICE in Finnish 1500 GMT 14 Sep 85

[Commentary by Heikki Kymalainen]

[Text] A model for a solution which might yet unite the Finnish Communist Party [SKP] does not seem to be possible. The SKP Central Committee is hardly likely to get a reply from the eight district organizations that would satisfy it as a condition to return them to united activity. (Heikki Kymalainen) reports:

The SKP has for a long time been in a situation where its leaders can make nothing but bad decisions. And this is not because of a lack of sense or of goodwill, but because a good pattern for the solution of the party's internal dissension simply does not exist. If it did, then there probably would be no need to send such a take-it-or-leave-it letter to the TIEDONANTAJA group's district organizations, those eight which are now outside the party's official activities.

This has been arrived at by consistently following the line and the decisions prepared last March at the extraordinary delegate conference. The TIEDONANTAJA districts have also consistently followed their own activities; the sides have (?diverged) more than ever from each other. Even the dialogue has been in the form of casual coffee meetings. So, if there were good solutions, the party would unite--or at least it could endure unity. But since there are not, the SKP of history is likely to dissolve.

Such answers to the letter from the Central Committee on how an explosion could be averted are hardly even being considered. It may be assumed that the districts led by Taisto Sinisalo will not even negotiate, but will send a joint reply to the Central Committee at the beginning of October--if they send anything at all. There is no basis for unity in negotiations by the sides; both do as they think best, and of course they mean the best for the party. Neither side wants the party to dissolve completely; they believe in it. But there are such enormous obstacles to agreement that a single friendly word is not likely to surmount them.

The 20-year struggle in the SKP has already clearly been reflected in Finnish social policy virtually right through. It has changed, and continues to change,

the balance of power in Finnish politics: The scales are swinging from the left more and more clearly toward the right and center. This movement will not be without effects, certainly, in internal policies after the 1987 Diet elections. For the critics of the consensus idea the halcyon days might be dawning, at least for a while.

The condemnatory letter from the CPSU to the [SKP] Central Committee casts a shadow not only over the feelings of the SKP leadership, but probably also on the mood of the leaders of foreign policy. After all, the letter said directly that the SKP is breaking down relations between our countries and taking away the basis for Finland's foreign policy line--a ghastly accusation for the communists. And experience has shown that assurances to the contrary do not strike home. The CPSU's concern in this party quarrel serves the TIENDONANTAJA group. Of course, the question of even the slightest crack in the state's relations with the Soviet Union does not arise, no matter what happens to the SKP, but a break in relations between [words indistinct] fraternal parties might even reach up to the leadership of the republic, especially when our neighbor fears a weakening in support for our foreign policy line. All the years of the SKP struggle [words indistinct] might be resolved in the end. We were better off underground, (?he would sigh).

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POLITICAL

FRANCE

PSF INABILITY TO COUNTERACT PCF ANTICIPATORY COMPLAINTS

Paris EST & OUEST in French Jul-Aug 85 pp 18-21

[Text] The communists have always been extremely clever in using the tactics we all used when we were children, at least those of us old enough to have been children in the days when it was not yet considered barbarous and traumatizing to accompany reprimands with a little spanking: the child cries before getting hurt. That's a good way to stop the blows, or at least to soften them.

Our communists are now acting like crybabies. An "atrocious campaign" is allegedly being waged against the Communist Party, and the people behind this "atrocious campaign" are supposed to be the socialist government and the Socialist Party, acting either openly or behind the scenes.

It is indeed true that the Communist Party has taken some severe blows in recent times, injuries caused by what HUMANITE itself called (or almost called)--and we thank HUMANITE for this term--"scientific anticommunism." This explains the "Marcel Paul trial" and the "Manouchian affair." These were two successful attempts to restore historic truth, which the communists falsified right after World War II, with a zeal they have since been unable to keep up to the necessary pitch.

But the socialists had nothing to do with these two cases, just as they have had nothing to do with any of the serious attempts made recently to reveal the true nature of communism under one aspect or another--neither the socialists in the government nor those in the party (let's make this distinction, since it seems that they aren't always the same). Nor did any of the other political parties have anything to do with these cases. It just happens that a generation has reached maturity, a generation which, as it hadn't yet been born or was still in its infancy, doesn't have the same scruples--we might almost say the same intellectual or perhaps political or emotional inhibitions--as preceding generations had toward the events and the intrigues of men during the terrible years of the great massacre. This new generation is seeking the truth for the good and simple reason that there will always be people who want to know the truth. If they sometimes bring into their



research and its public expression more passion perhaps than a purely scientific endeavor should warrant, that is partly because they feel that some people, acting from interested motives, want to conceal the truth from them, to keep them from making it known. They are perfectly capable of determining, among all the errors they find, what part can be attributed to legend, to the spontaneous distortion of facts, and what is due to organized, systematic lying done through a calculated and interested desire to deceive. In this case, it seems quite normal that they should feel and express some anger.

Now that this factor has been eliminated--an essential matter, but one which owes nothing at all to the political games of the moment--what is left of the "atrocious campaign" that Mr Marchais has been complaining about? Nothing that goes beyond the limits of political polemics, as it has been conducted in France for years--we might almost say forever--for periods in which things have been done otherwise constitute the exception, and not the rule. This political wrangling is characterized by the vehemence of its language, by its search for wounding formulas, in short by the harsh brutality of its form, but an incredible indigence of content. If there is any true political analysis, it lies elsewhere. Here and there we may find some traces of such an analysis mixed in with the rhetoric, but that is because the opponents grab at anything within their reach to use as a weapon, just because it seems of some use for providing them with a striking argument right now, one which they will have forgotten by the next day, when they will turn to another argument, and so on. Under the appearances of a steady fire, here we actually have firing in separate bursts, with no ongoing connection, except through the continuity of the noise that is produced.

The atrocity that is causing such anguish for the secretary general of the French Communist Party (isn't he a sensitive man, a person enamored with moderation?) doesn't seem any worse in the opposition's attacks against the PCF than in the opposition's attacks on the Socialist Party, and in the Socialist Party's attacks on the opposition. In fact, it would even be hardly paradoxical to say that there seems to be less atrocity in this instance.

It is true that the opposition has been attacking the communists, but its criticisms seem almost routine, without anything reminiscent of a deeply felt and systematic form of anticommunism; it almost seems as if these attacks are directed against a problem that is not expected to actually arise. The opposition has been saving its real weapons for the socialists.

The socialists have, of course, somewhat harshened their tone in speaking about the communists recently. Mr Mitterrand (whom, come what may, we refuse to consider only as the head of the Socialist Party) has gone so far as to claim that the communists "fled" from the government because of their fear of responsibility. This was meant to be wounding, and in fact, it might have bruised the egos of the persons to whom it was addressed, if they hadn't been communists,

Mr Marchais, while complaining about this attack (as his feelings don't seem to run very deeply, he just used an expression favored by somewhat inexpressive people: "Mitterrand is getting ruffled"), simply stored this remark away in a corner of his memory with the firm intention of making its author pay for it one day if the circumstances are right. But all the while, the communists understood that the chief of state didn't intend to go to the heart of things, and had just given them a glancing blow that he knew would only scratch, but would not seriously injure them. For Mr Mitterrand certainly knows the Communist Party well enough to realize that the reasons which led the PCF to turn down portfolios that it could have gotten for some of its people in Mr Fabius's cabinet were quite different than a fear of handling responsibility for an austerity policy. After all, remember slogans such as: "the battle of production," "roll up your sleeves," "produce first, demand later," and "the strike is the trusts' weapon against the nation and against the working class," etc. It wouldn't have been too hard for the communists to find new versions of these well known slogans if they had felt there might be any political advantage for the party and for the international communist movement in doing so.

We can find the same reserve on the part of those socialists who, speaking in the name of the party, don't have to tone down their language, unlike those who hold office and who therefore speak in the name of the state. We saw this in the "Manouchian affair." A writer for the PS weekly, L'UNITE, Jean-Paul Liegeois, felt it was worthwhile, since the days of disagreements had returned, to recall the deceitful statements Marchais had made about his stay in Germany during the war, stories that hardly qualify him to intervene in "the Manouchian affair," speaking out in the name of the Resistance and of historic truth (L'UNITE, 7 June 1985).

The unfortunate journalist was quickly told that this was not the right line to take, and both the PC and public opinion were informed that the PS had nothing to do with this report. Marcel Debarge, the national secretary of the PS, came in person to announce to all and sundry (and especially to those at the Place du Colonel Fabien) that the UNITE article and "most particularly" the passage dealing with Mr Marchais's activities in 1942 and 1943 "was the sole responsibility of its author, and not of the Socialist Party" (LE FIGARO, 7 June 1985). On the following day HUMANITE was careful not to repeat this reference: it's unwise to talk too much about rope in the house of a man who is hanged\*.

Why will the socialists only fight the communists using rubber-tipped swords?

There are certainly a great many reasons for this.

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\* See the article on p 24 of this issue.

The first is obviously that the socialists--both those in the party and those in the government--do not want to cast blame on themselves. If today they were to emphasize--as those in the SFIO [French Section of the Workers International] did at least on occasion in the past--the danger that the Communist Party in itself represents for liberties of all sorts, as well as for national independence, they would be admitting that they had made a major mistake: both by lending a hand to the PCF in the days of unity of action and helping to reintroduce it into French political life, thus enabling it to play the role of an "honorable" party (not at all like the "foreign nationalist party" that Leon Blum used to denounce); and also, by bringing it into the government, by letting it infiltrate the agencies for which the socialists had given it responsibility (just look at the SNCF [French National Railroads], to mention only one well known case), and by letting it introduce provisions--such as the business committees--into social legislation, which will give the PCF a great many weapons it can use to disrupt any recovery of the French economy in almost any way it chooses.

In order for the socialists not to have been seriously in the wrong--perhaps to the point of disqualifying themselves for a long time to come--they must continue to speak and to act as if the Communist Party had never ceased to be just one party like any other (in its ideology, in its structure, and in its international ties), which only went back to the opposition for political reasons, reasons which were certainly debatable, but still normal reasons, and that it is a party with which one might again in the future ally oneself, and with which one might possibly agree at some future time to once again share the responsibility for governing France.

In other words, the PS has compromised itself so badly with the PCF that it can no longer abandon it. Nor can it truly fight it, even if the PCF attacks the socialists with renewed ferocity.

The second reason can be deduced from repeated statements by Mr Jospin. Let's consider his letter to the members of the PS steering committee: "We must hold open a prospect for the communist voters at the time when the PC crisis offers us a broader field for a larger party on the left" (LE MONDE, 22 June 1985).

Let us admit that Mr Jospin may be sincere in his desire (we won't say of anticommunism--he would feel we were distorting his words), but of reducing the place of the PCF, especially to the advantage of the PS. But this leads him to continue the policy that he feels has already produced that effect: the unity of action policy. The PCF has lost members. It has lost voters. There are probably not many former PCF members who joined the PS. But on the other hand, there are many voters who, since 1981, no longer vote for the PCF, but instead vote for the PS. So Mr Jospin may well overlook, or in any case underestimate the to some extent intrinsic reasons leading to this "disengagement," and think that this was only possible, as Edmond

Maire says--who in this way justifies the CFTD [French Democratic Confederation of Labor] policy in relation to the CGT [General Confederation of Labor], very similar to the PS policy\*--because the PS proved that there was an "alternative" for the revolutionaries, starting from the time when it claimed (it being the PS) that it was determined to "construct" socialism, full socialism, integral socialism. And it proved the veracity of its intention by gaining the alliance of the communists who, to some extent, brought it their endorsement, and lent credibility to its revolutionary commitment.

What was true yesterday in the eyes of Mr Jospin and his comrades remains true today, and certainly even more intensely, now that the time of disillusion has come. The first secretary of the PS feels it is essential that his party not do anything that could lead people to believe that the accusations concerning its "slippage to the right" are well founded. Not only must it anchor itself "to the left" (in the present sense of the word) but it must also, no matter what the PCF may do, show that it can "remain united for two," as Maurice Thorez used to say. Mr Jospin seems to be going as far as raising the prospect of forming "a large party of the left," which could be done, among other ways, through "organic unity," by "reunification," by a merger--an old but never totally abandoned dream--between the Socialist Party and the Communist Party.

In such conditions, how could socialist criticisms of the PCF focus on the essential? They are forced to concentrate on peripheral matters, to pretend that they don't understand the PCF's true reasons, and speak about disputes, misunderstandings, injustice, and even of politically and electorally-motivated considerations.

That certainly isn't any way to do the PCF much harm.

This second reason also implies another--which is without any question the most serious.

The socialists were not drawn to the rapprochement between the PS and the PCF which began in the early 1970s only by vote-getting considerations. Manifestly, some of them, who soon became the majority, were won over by the rebirth--after May 1968--of revolutionary illusions. They went back to everything that the old doctrine had abandoned by maturing little by little--oh, quite slowly!--through reflection and experience. Once again, they came to believe that socialism was possible: collectivism, planning, perhaps not integral but at least as restrictive as possible of the effects of the market on the orientation of economic activity. To these goals were now added

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\* On this topic see the article by Claude Harmel on p 6 of this issue.



self-management, and even "generalized self-management." Once again people claimed communists and socialists formed two branches growing from a single trunk, separated by questions of methods, but tending toward the same goal. Everything that the socialists could find wrong with "real socialism"--as practiced in the countries of the eastern bloc--came not from the fundamental doctrine, not from the essential objective, but from the practical means which Lenin and his successors had used to construct socialism. It was now easier to avoid these fatal errors as they had discovered the decisive defense: self-management! Socialism would no longer engender a totalitarian state despotism, as self-managed socialized enterprises would no longer be run by the state, but by the workers themselves.

That was the conviction held by the majority of the socialists right before the elections in May and June 1981, a conviction that the election victory brought, if we can put it this way, to the white-hot stage. For--and this is indeed the most disappointing aspect of this already lengthy adventure--it seems that despite bitter experience, that conviction still persists in our socialists, maybe not in those who are responsible for the state, but at least in those who govern the party.

In these conditions, how could the party socialists conduct, let's not even call it an attack, but at least a vigorous counter-offensive against the PCF?

Of course, we have always said that the underlying reason for Soviet totalitarianism was not to be found first of all in socialist ideology itself, in collectivism, but rather in the political instrument and the methods conceived by Lenin to transform the idea into reality. If conventional methods of political action are used, in particular those methods offered by parliamentary democracy, we can be certain that socialism or what would remain of it would only become reality after vigorous corrections and amputations. The evolution of German social democracy, from Marxism to "governmentalism," is proof of this. And we could certainly find other examples.

Even the "resocialized" PS could well find reason to thoroughly criticize the PCF on its concept of organization and of revolution--as Leon Blum did for such a long time.

If they do not do so, isn't that because, to some extent, today's socialists may have fewer prejudices than their predecessors did about the Leninist concept of the Party and of Revolution? Without attaching too much importance to this, we can't forget that authoritarian or even totalitarian tendencies have often appeared in the statutes of the French Socialist Party. Nor can we disregard the many statements made during the PS's period of "resocialization" about the party's role in the conquest of power and after the conquest of power. Of course, these statements were immediately attenuated by assurances that plurality of parties would be respected. Yet one could not read without some concern these passages from a certain "Brochure de base"--that was its title--which stated that "during the transition phase, the Party



will be the fundamental link of articulation between the popular movement and governmental action, an articulation that will be the driving force for social transformation" and that it "will be the privileged site for the preparation of political strategy and choices."

That is certainly not the way the role of parties is conceived in a parliamentary democracy. On the contrary, such a concept recalls the practices of popular democracies.

In other words, on this point which appeared so vital in the time of Leon Blum, the socialists, whether they know it or not, are no longer so firm. In the current quarrel between Messrs Fabius and Jospin, doesn't Jospin seem to be the man supporting the concept of the "party above all," of the "party first of all"? The state and the country afterwards, if there is anything still left.

This is a state of mind which has some resemblance to the "party spirit" so dear to the communists. A state of mind which, in any event, will hardly enable the socialists to resume and develop the PS's traditional criticisms of the PCF.

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POLITICAL

FRANCE

# CGT, BRITISH MINERS' LINKS WITH MOSCOW

Paris LE QUOTIDIEN DE PARIS in French 27-28 Jul 85 p 9

[Article by Herve Laumont: "British Miners and the CGT Want to Reinstate the Communist Trade Union International in Paris"]

[Text] The suicidal strike led for a year by the British Miners Union will not only have national consequences. By placing Arthur Scargill, appointed president for life of the National Union of Miners (NUM), in the forefront, it will have demonstrated to what point some British unions are being manipulated by the Communists. It is a situation that, today, incites stirrings at the international level.

Arthur Scargill, the star of the British conflict, resembles--there is no mistaking it--a communist "mole." A former member of the British Communist Party, this 65 year old trade unionist made himself famous during the 1972 strike.

A miner since he was 15, Scargill took his first political steps in the British Communist Party apparatus, which would give him the honor of being received by Krushchev during a trip to Moscow organized by the Young Communist League. A Communist Party candidate in the British municipal elections in 1960, Scargill subsequently joined the Labor Party in order to assume union responsibilities quickly. The strike that has been going on for a year will illustrate the strange contacts that this union militant member of the TUC [Trades Union Congress] and of the ICFTU (International Confederation of Free Unions created to oppose trade unions under Stalinist influence) maintains with the Eastern Bloc. Openly backed by the French CGT [General Confederation of Labor] and the Soviet Union, Scargill, on 8 October, meets Col Qadhdhafi's emissary at the French CGT headquarters.

Today, after the collapse of the strike movement brought about by Scargill, the latter is trying, in concert with Soviet trade unions and the French CGT, to mount an operation to get communist trade union organizations going again.

## A Base in Paris

The World Federation of Trade Unions (WFTU), under communist control and whose headquarters are in Prague, is perhaps going to set up a base in Paris, in spite of the expulsion order of 1950 still in force, which forbids the WFTU to have headquarters in the French capital.

In any case, it is what is liable to happen upon the occasion of the creation of a new miners' international whose constituent congress is to be held in Paris on 21 and 22 September 1985.

The World Federation of Trade unions (WFTU), a Soviet propaganda body sponsored by Moscow, has sought for several years to set up bases outside the Eastern countries. The WFTU's reputation proves to be an obstacle to its efforts to penetrate the West. The WFTU's single affiliated member in West Europe is the French CGT. For that reason, Paris offers the WFTU the best cover.

The WFTU, established in Paris after the war, was expelled from France in 1950 because of its too pro-Soviet activities. After staying for five years in Vienna, in the Soviet Occupied Zone, the WFTU was expelled from Austria. It then found refuge in Prague.

Nevertheless, the attraction of France to the Soviet organization has not diminished over the years. Upon several occasions, its leaders have expressed the desire that, if the WFTU is not able to return to Paris, it will, at least, be permitted to establish in France one of its federations, the aggregate of which are located in various communist countries.

## A September Congress in Paris

Owing to the initiative of the president for life of the British Miners Union, Arthur Scargill (whose organization has already left the International Federation of Miners of the ICFTU (International Confederation of Free Trade Unions) and of the Frenchman, Augustin Dufresne, of the CGT Federation of Underground Laborers, a Congress will be held.

The two men are, in fact, responsible for the congress's meeting, which will take place in Paris on 21 and 22 September, and will set up a new international miners union. All preparatory meetings for this congress have taken place in Eastern capitals: Moscow, Sofia, East Berlin, and Budapest. It was in the Hungarian capital that the decision to convene the Paris congress was made on 10 May 1985. Arthur Scargill participated in making the decision in the company of representatives from the CGT Federation of Underground laborers, and of representatives from East German, Hungarian, and Moscow trade unions. On that occasion, "King Hungarian, and Moscow trade unions. On that occasion, "King Arthur" had a long conversation with the Hungarian chairman of the WFTU, Sandor Gaspar.

The WFTU is interested in the operation for two reasons. First, the fact that the miners' federation is presently located in Warsaw, Poland, attracts

little sympathy from potential Western members. The existence, however, of a so-called non-communist organization could sow confusion in the present International Miners Federation whose headquarters are in Brussels and which is associated with the International Confederation of Free Trade Unions (ICFTU). The WFTU might see a way there of diminishing the latter's influence.

The present head of the WFTU organization in Warsaw, Alain Simon, a Frenchman, who spends most of his time in Paris, is the one who has reportedly been designated to become the secretary general of the new miners' international.

The consequence of this maneuver is plain. Early after its creation, the new organization will emphasize its unified East-West make up. Then the unions of the Eastern countries will become members, leaving the Warsaw-based international that will then be doomed to disappear. The operation, a communist tactic, would serve as a basis--but do not count on it--for the much hoped for return of the WFTU to Paris.

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CSO: 3519/279

POLITICAL

GREECE

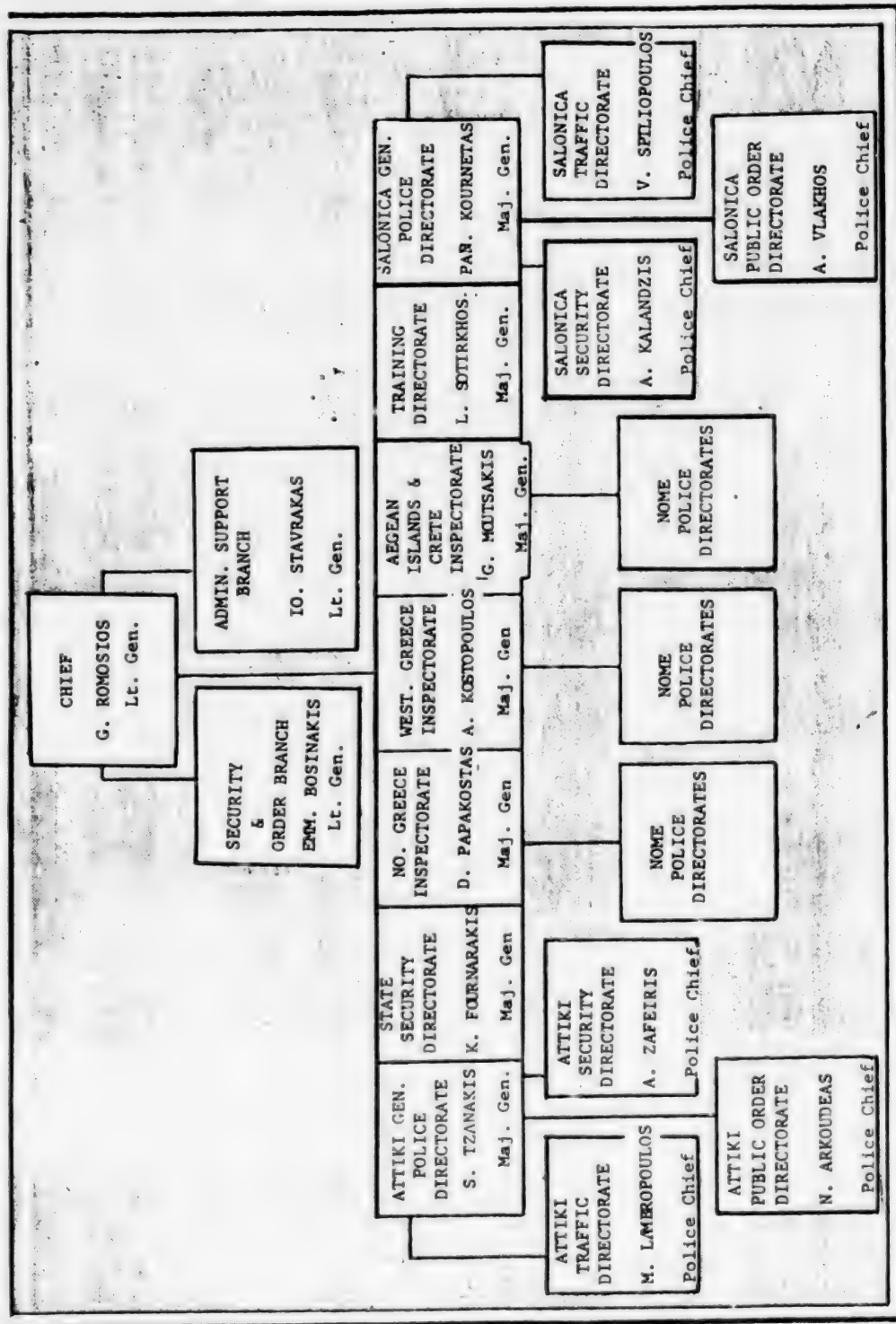
#### ORGANIZATIONAL STRUCTURE OF POLICE LEADERSHIP

Athens MESIMVRINI in Greek 12 Aug 85 p 16

/Text/ The unification of the various security corps has changed the makeup of the various police services. The makeup as it exists today has no relationship with that provided by the unification law. It was radically changed after the cut back in the number of the Greek police lieutenant generals from 5 to 3 and the number of major generals from 21 to 7. Of course, a disproportionate difference was created between the rank of police officer (organization strength of 125) and the rank of lieutenant general. This difference is expected to be covered by the reestablishment of the rank of brigadier general. The return to the rank of brigadier general to the Greek police force was deemed indispensable because it was considered advisable that certain sensitive positions that must be kept apart be filled by high-ranking officers for many various reasons. These positions include the security, order and traffic directorates, the general police directorates of Attiki and Salonica, police directorates where there are ministerial headquarters, etc.

From looking at the following table one can readily understand the breakdown of the various positions in the Greek police force as it exists today, as well as the officers who man the various positions.





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CSO: 3521/338

POLITICAL

GREECE

BRIEF

KKE'S FLORAKIS IN DPRK--Following an invitation by the Korean Labor Party Central Committee, Kharilaos Florakis, secretary general of the party central committee, departed for Pyongyang at the head of a delegation that includes Nikandros Kepesis, member of the KKE Central Committee, and Giorgos Delastik, member of the KKE Central Committee Press Office. The delegation, that will stay in the DPRK until 27 August, will hold talks with the party leadership, visit various enterprises in the city and take part in meetings held in its honor. /Text/ /Athens RIZOSPASTIS in Greek 23 Aug 85 p 1/ 5671

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POLITICAL

ICELAND

# GOVERNMENT AGREES IMPORTING MEAT FOR BASE LEGAL

## Foreign Affairs Panel Sanctions

Reykjavik MORGUNBLADID in Icelandic 16 Aug 85 p 48

[Article: "Raw Beef Transported by Air to the Defense Force"]

[Text] Foreign Ministry Sanctions the Import But Does Not Permit the Meat To Be Taken Off the Base

A U.S. cargo plane, carrying 1.8 tons of raw beef for consumption by the members of the defense force, landed at the Keflavik Naval Base yesterday. The Foreign Ministry has decided to continue to allow the importation of raw meat which will be transported by Defense Force aircraft, as there are legal grounds for that in Icelandic law, i.e., in the Defense Agreement from 1951. The ministry has, however, decided to ban the transportation of meat off the "agreed areas" to members of the Defense Force who live off the base. That involves about 44 families.

Moreover, the chief of police at Keflavik Airport has received orders to handle all customs checks on the merchandise imported by air by the Defense Force and in general to monitor what is brought into the country in this manner.

This information was received from Sverrir Haukur Gunnlaugsson, chief of the Defense Office of the Foreign Ministry.

As has been mentioned before, a disagreement has arisen between the Foreign Ministry and the Ministry of Finance about the justification for importing raw meat into the country for consumption by members of the Defense Force. Mr Gunnlaugsson said that the foreign minister was working on a permanent solution of this disagreement that has arisen between the ministries.

According to Mr Gunnlaugsson, most of the meat for the Defense Force so far has been transported to Iceland by ship, although it has happened that meat has been transported by air. Mr Gunnlaugsson said that shipments arrived by air on 25 July and 1 August; there were 1.9 tons in each shipment.

Regarding customs check by Icelandic authorities at Keflavik Airport, Mr Gunnlaugsson said that the Americans are extremely pleased with the arrangement. "All imports for the Defense Force are the responsibility of the U.S. Government and the Americans themselves are elated if increased supervision is exercised on what is being imported on their behalf," said Gunnlaugsson.

#### Official Comments on Imports

Reykjavik MORGUNBLADID in Icelandic 17 Aug 85 p 4

[Article: "The Defense Force Meat Import: 'Icelandic Law Applies Unless Otherwise Stated in the Defense Agreement,' Says Finance Minister Albert Gudmundsson"]

[Text] "It is stated categorically in the Defense Agreement that if it is not especially stated that Icelandic law does not apply, the Icelandic law applies. This is quite definite. It will become necessary to decide whether the law from 1928 was enacted in order to defend the country against a potential contamination, or whether the Keflavik Naval Base is a foreign country in Iceland. If Icelandic law does not apply to the Keflavik Base, it seems to me that the 'agreed area' is a state of the United States," said Finance Minister Albert Gudmundsson when he was asked about his opinion on Foreign Minister Geir Hallgrimsson's decision to authorize the import of fresh meat by air for the Defense Force.

Sverrir Haukur Gunnlaugsson, chief of the Foreign Ministry's Defense Office, was quoted in MORGUNBLADID yesterday as saying that the meat import for the Defense Force had been sanctioned. This sanction waives the law on hoof and mouth disease from 1928 which prohibits the import of fresh meat due to the risk of contamination, as it has been 50 years since hoof and mouth disease has occurred in the United States. Albert Gudmundsson said the following about this argument: "Should we wait until there is a case of hoof and mouth disease in the United States in order to enforce Icelandic law? Everybody will see that it will not work. And to refer to a tradition which the Defense Force has created and say that this tradition is above Icelandic law is totally absurd. I am not saying that I am against the presence of the Defense Force in Iceland. I am not against it at all, but the Americans who are in this country must abide by Icelandic law like everybody else," said Gudmundsson.

Geir Hallgrimsson has presented proposals for a solution of this disagreement between the ministries which have been discussed in the government. Hallgrimsson was asked what his proposals entailed:

"They are under discussion by the government and while these discussions are ongoing it is improper to discuss them publicly," said Hallgrimsson.

## EDITORIAL ON DEN UYL'S ROLE IN LABOR PARTY

Rotterdam NRC HANDELSBLAD in Dutch 19 Aug 85 p 7

[Text] The PvdA [Labor Party] will not bend to the middle or to the right or to the small left [parties]. It will not announce in advance with whom it would most prefer to govern; it will not make use of non-negotiable program points, but on the basis of the election results of May next year it will be prepared to enter coalition negotiations. It is asking the voters to make its power base so strong that a majority cabinet cannot be formed without it, and that basically means: stripping the current combination of CDA [Christian Democratic Appeal] and VVD [Peoples' Party for Freedom and Democracy] of its parliamentary majority. That is indeed necessary, for CDA and VVD are polarizing by stating already now that after May 1986 they won't be interested in cooperating with the PvdA but would rather continue to govern together.

This was said last Saturday by PvdA Chairman Van den Berg and the PvdA parliamentary group leader in the Second Chamber, Den Uyl, during the presentation of the 1986-1990 draft election program of their party. Listeners were surprised, since many KVP [Catholic Peoples' Party] from the fifties and sixties would have nodded approvingly on finding these and similar statements coming from PvdA leaders who in the past were responsible for points of departure of their party which were entirely different. One thinks, for example, of "non-negotiable" election programs, ditto party-political demands and compelling notes on strategy with respect to coalition preferences.

The great desire to govern again is clear not only from statements such as the above, but can also be found in the tone of the draft election program, which is much more tempered than in the past, and in which Den Uyl's hand can be seen. The latter had said already previously, which is also unusual, that he sees much in the new CDA program which can be discussed, especially in the socioeconomic area. Hard nuts would have to be cracked only in case of PvdA desires such as restoring the coupling of wages and benefits and raising the level of minimum incomes and the 32-hour work week in 1990. The extent to which it is a matter of cosmetic surgery cannot always be ascertained, but it is a fact that the PvdA program is obviously aimed at achieving a coalition result.

Some notable examples: the plea for administrative decentralization and--subject to conditions--an increase in the police strength. Moreover: existing



nuclear plants no longer have to be closed down immediately--as desired in a previous party-political demand but "more rapidly" and with consideration of financial consequences. Furthermore: the rejection of all existing NATO nuclear arms tasks, an issue to which Den Uyl had to tie his personal position at the time, earning him the nickname "Joop Atoom," now has been qualified, in particular with respect to achieving a nuclear weapons free Europe and to the positive effect of that on negotiations between NATO and the Warsaw Pact. Those conditions seem to be ad infinitum, as IKV [Interchurch Peace Council] Secretary (and PvdA Member) M.J. Faber expressed Saturday night on the VARA [Workers' Radio Amateur Association] TV.

For that matter, the security paragraph offers few reasons to be happy--except for the plan to give the Netherlands the use of a "square-rigged training ship" (Sail'86). The NATO strategy must be changed in such a manner --but it doesn't say how--that an early and first use of nuclear arms is out of the question. No doubt that will require an additional expense for the conventional NATO contribution, the reader then thinks. But no, that contribution instead ought to be limited, in particular with respect to the navy and air force, while the NATO agreement on the 3 percent annual real growth from the multi-annual estimates of Defense should be canceled. Obviously, in this case more inspiration was found in former programs and in lack of money than in logic.

And then there is the politically most weighty point, the only one remaining with party-political value: the PvdA absolutely will not take responsibility for the placing of cruise missiles, not even if later on there would be a parliamentary-approved treaty on that with the United States. It has been stated before on this page: on that point alone already--which former Minister Van der Stoep at one time described as "an article of faith" of his party--the governing ambitions of the PvdA could run aground. The freedom of mobility of socialist politicians, which in the '81 government accord allowed only a "footnote," and which Den Uyl found limited even further in the 1982 cabinet formation, appears to be reduced to zero here. And that while the placing program in Western Europe is in full swing and the current government majority in The Hague is in the process of committing itself to placing in the Netherlands within a few months' time.

For the seventh time in his long political career, opposition leader Den Uyl is going to be the primary PvdA candidate in the Chamber elections; his decision announced on Saturday really could no longer surprise anyone. Without a doubt Den Uyl, political leader of his party since 1967 (1), is still the most important candidate of the PvdA for the prime-ministership or the chairmanship of the parliamentary group, for undoubtedly it will end in one or the other after May 1986. The most important candidate this time (justly) did not attach any conditions to his willingness to be available for 4 years, for that will only cause "fuss" (about the matter of succession) later on, he said. It is questionable, however, whether Den Uyl--in view of the government ambitions of his party and its internal need for renewal and adjustment--is also its best political leader for the second half of the eighties. For, outside of the PvdA, the desire to initiate a second Den Uyl Cabinet is small, to put it mildly, and within the PvdA his continued presence as first man will not facilitate, to put it mildly, a frank discussion on important political subjects.

POLITICAL

NETHERLANDS

#### COOL RECEPTION FOR LIBERAL PARTY PROGRAM

The Hague ANP NEWS BULLETIN in English 28 Aug 85 pp 1-2

[Text] The Hague, August 27--The Christian Democrats (CDA) gave a cool reception last night to the draft platform on which their junior coalition partners--the Liberals--plan to enter the May 1986 general elections.

The Liberals called for savings of 18 to 20 billion guilders in public spending in four years but the parliamentary CDA party, in an initial reaction, said this was unlikely to achieve their own declared aims.

The aims are a cut in the public sector deficit from about 7.9 per cent in 1986 to 4.5 per cent of the national income by 1990 and a cut of 3.5 billion guilders a year in individual taxes and social security costs.

The Christian Democrats, in a manifesto published last May, called for 11 billion guilders in savings but set lower targets and warned they might not be achieved unless expected lower natural gas revenues from 1986 could be offset.

The parliamentary CDA party joined the opposition Labour group in criticising the Liberals' 'tough realism' and apparent lack of heart for the weak.

#### Wage Differentials

The Christian Democrats and Labour denounced the manifesto's thrust for increased wage differentials by allowing higher income brackets to profit more from proposed tax and social security contribution cuts.

The CDA said it sympathised with the Liberals' aim to cut individual tax burdens but warned that in practice public servants and social security recipients might have to foot the bill.

It said it was pleased that the Liberals had charted a financial and socio-economic course which 'generally pursues the main lines of the successful Lubbers cabinet'.

But the Christian Democrats said they were all but happy about the manifesto's paragraphs dealing with education, welfare, public health, emancipation and the media.

Labour, which has called for savings totalling 7.5 billion guilders in the four-year term of the next cabinet, criticised the Liberal manifesto for its virtual complete failure to specify where the proposed massive spending cuts were to be made.

### 'Relaxed Policy'

It feared the bill would ultimately be presented to the lowest income brackets. But Labour welcomed the Liberals' decision to drop its support for the reclamation of a giant polder (the Markerwaard) from Lake IJssel. It also welcomed their stand on the liberalisation of Dutch euthanasia laws and their emphasis on the role of the government in combatting discrimination.

Ed Nijpels, floor leader of the Liberal party, described the manifesto as 'a relaxed continuation' of the policy pursued by the Lubbers cabinet in the past four years which saw public spending cuts totalling some 30 billion guilders.

He said a Lib-Lab coalition was far less likely than a coalition with the CDA after the elections because Labour's programme was 'bulging with state planning'.

Holland's two main employers organisations gave a mixed reception to the Liberal manifesto with the Federation of Netherlands Industries (VNO) praising it for its attempt to preserve a stable business climate.

But the Netherlands Christian employers federation (NCW) questioned the feasibility of the liberal party's financial and socio-economic policies.

The VNO also disagreed with Liberal proposals to use investment subsidies (WIR funds) for purposes other than to encourage corporate investments.

Preservation of an internationally competitive investment facility is of essential importance for the creation of jobs in the Netherlands by Dutch and foreign companies, it warned.

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POLITICAL

NORWAY

## POLITICAL LEADERS, NEWSPAPER REACT TO ELECTION RESULTS

### Social Issues Hurt Government

Oslo AFTENPOSTEN in Norwegian 11 Sep 85 p 2

[Editorial: "New Emphasis Needed"]

[Text] Luckily it all worked out in the end--after an almost unprecedented election night. The Willoch government will remain in power and has been authorized to continue its political reform work for another 4 years. With the Progressive Party holding the key position and with a strengthened Labor Party and SV [Socialist Left Party] occupying the opposition benches the temperature in Storting will probably rise considerably, especially when security policy comes up. But even so we see no reason why the government cannot look forward to a relatively secure existence. As we know the political course has been laid out in the long-term program that was prepared jointly by the government parties, the Conservatives, the Christian People's Party and the Center Party.

We have come through an election that was especially dominated by the Labor Party's strong gains, primarily in the outlying communities. Profound election analysts will be able to make interesting observations for weeks and months to come concerning the possible reasons why the opposition made such gains in a period of strong economic progress, declining unemployment and a general level of prosperity that is unprecedented in our history. In 4 years the Willoch government was able to produce results that would be the envy of any other government.

But in spite of all this tangible progress the Labor Party managed to strengthen its position substantially and without going into the methods the party used here, the credit should go primarily to Gro Harlem Brundtland. She was able to make use of the last shred of the discontent, frustration and uncertainty that resulted from unemployment and the problems within the health-care and social sector. And to be fair about it, even though the government has argued that problems in the area of health care are something we have had to contend with for a number of years and even though considerably more money has been appropriated for this area than ever before, we should acknowledge that these conditions are unworthy of Norway, our prosperous welfare state.

Many people--including Conservatives--have felt that efforts in this area should have been given a higher priority because in reality nothing is more important than caring for the sick and the elderly, for fellow human beings who need help, treatment and care. At any rate politicians who wish to achieve credibility on these matters should not constantly behave in such a way that people get the impression that they do not understand what the problems are all about.

If one asks the man in the street why he thinks the Conservative Party received less support, the answer in a number of election districts is almost uniformly that it was due to social and health policy. It is evident that something is wrong here. We share Kare Willoch's satisfaction with the non-socialist election victory and hope that he will make social and health policy the government's main focus of attention in the next 4-year period.

#### Security Policy More Difficult

Oslo AFTENPOSTEN in Norwegian 11 Sep 85 p 3

[Article by Lars Hellberg]

[Text] Foreign and security policy can quickly turn out to be the Willoch government's biggest problem. When it comes to the next biggest problem, health and social policy, there is no doubt that the election results will force the government to make a greater effort. That in itself rules out close cooperation with the Progressive Party.

With regard to security policy it is being said openly in government circles that the Center Party's security policy "hand grenades" could topple the government in a tough voting situation. This despite the fact that as far as AFTENPOSTEN has been able to learn Center Party leaders have assured their coalition partners that the party's mavericks need not pose any problems. Outwardly party chairman Johan J. Jakobsen has said only that the problem was an "artificial" one. "Security policy is no more difficult than any other issue and the Center Party is no more difficult than any other party," he said.

However the problem is not limited to the Center Party. The newly-elected Christian People's Party representative from Sogn og Fjordane, Lars Gunnar Lie, has warned that he opposes NATO's double decision and that he might vote against the government's policy in certain situations.

#### Labor Press

At the same time it is quite clear that the Labor Party will do its utmost to utilize the split within the government coalition. Gro Harlem Brundtland needs to "prove" that the Labor Party and not the government has a Storting majority on its side when it comes to foreign and security policy. In view of the fact that the opposition tried to ban timely questions concerning the



party's security policy during the campaign the Labor Party has unloosed an amazing amount of activity in that very area the day after the election. The opposition leader used the party leaders' debate on the night of the election to put foreign and security policy in the foreground.

The differences within the nonsocialist coalition are well-known from the last election period. But during the campaign the party leaders stood side by side in defending the unswerving course the government has followed under Willoch's leadership. They have also been uniform in their criticism of the Labor Party's retreat from the deployment part of NATO's double decision on medium-range missiles on European soil.

#### Unanswered Question

The unanswered question is whether Willoch will also succeed in unifying the Storting majority behind the government's foreign and security policy.

"This does not have to be a problem if people behave wisely and show a willingness for moderation on both sides of the dividing line," a prominent representative of the Christian People's Party insisted to AFTENPOSTEN.

But the problem is that the government does not have any "leeway" on questions involving our credibility as an alliance partner.

In the previous election period the Willoch government could tolerate five mavericks on security policy and be saved by the Progressive Party. In the new situation the government's fate will be sealed the minute a single representative breaks away on a critical vote.

To underline the gravity of the situation it is enough to name Center Party representatives Lars Velsand and Ragnhild Q. Haarstad who have defected time after time. The parliamentary leader of the Christian People's Party, Harald Synnes, has also voted with the socialist opposition at times. And there is also a new dissenter on security policy in the ranks of the Christian People's Party. The three could also be joined by Storting's youngest member, Eli Arnstad, who will act as North Trondelag's regular representative as long as Jakobsen is a member of the government.

However AFTENPOSTEN has learned that she has promised not to defect on a critical vote before discussing the situation with the county organization where Jakobsen would have the last word.

With regard to Velsand and Haarstad AFTENPOSTEN was told that they too "might be a little more cooperative when they know that the fate of the government stands and falls on their votes."

But one should not take anything for granted here. "I assume that the Willoch government will pursue a foreign and security policy that the Storting majority can support," said Mrs Haarstad. That statement implies that this will have to be a policy that she and the socialist opposition can accept. This makes it clear that foreign and security policy could become one of the Willoch government's big problems, perhaps its biggest one.

## Health, Welfare Agenda Expected

Oslo AFTENPOSTEN in Norwegian 11 Sep 85 p 5

[Article by Morten Malmo]

[Text] "When the Willoch government continues its growth policy, a real emphasis must now be placed on the health and social sector as well as on provisions for caring for those who need it. If the positive development in the private business sector, especially in outlying districts, also continues I have no doubt that things will go better the next time we come to a crossroads." Party chairman Erling Norvik made these remarks to AFTENPOSTEN following a meeting of the Conservative Party's working committee yesterday where the election results were discussed.

Norvik told us that the Conservatives will now place their election campaign "under the microscope" to find out what the party strategists did right and what they did wrong.

The Conservatives are now seeking professional help in evaluating their campaign. People will be interviewed about the party's campaign issues, "angling" and presentation. When the results of this study--which was planned long before the election--are ready the Conservatives will make a more thorough analysis of the election effort than it would be possible to make now.

### Previous Elections

The Conservative Party dropped a good percentage point in this election compared to the 1981 Storting election. Compared to the county elections in 1983 the party gained around 4 percentage points. Erling Norvik said of the election results: "But we did get the highest number of votes in the history of the Conservative Party. If one looks at the number of Storting representatives this election is the second best the Conservatives have ever had.

"It is not true that the Conservative wave has crested. After all we have gained 230,000 votes since the Conservatives were in the trough of the wave in 1983," Norvik said.

### Reasons

What are the political reasons why the Conservative Party did not do as well in this election as it did in 1981?

"The Conservative Party has repeatedly warned against spending billions in excess of the appropriations in the national budget because this would lead to increased inflation and new cost-of-living adjustments. Many people wanted to spend more and I feel we did not put our arguments across in this area."

Did the Conservative Party also do too little to promote its health and social policy profile?

"No government has invested more in these areas than the present one. And no other issue has a higher priority in the government's long-term program and in the Conservative Party program than health and social policy. But it is obvious that here too we were unable to get the message entirely across to the voters," said Norvik, who continued: "It is important now for the Willoch government to continue its growth policy. More emphasis must also be given to health and social services and the entire area of care."

#### Districts

Why did the Conservative Party lose so much support in the outlying districts?

"The decline was especially pronounced in fishing villages. This is probably due to the strict quota regulations on fishing which were aimed at maintaining the supply of fish, a goal that has now been reached. I also think population flight--especially against the background of the situation in the fishing sector--has had a negative impact. Reactions to these things are always directed against the 'establishment.'"

"If more emphasis is placed on health and social services while at the same time the growth that is now occurring in outlying districts continues things will go better for the Conservative Party the next time we come to a cross-roads," Norvik said.

#### Good Campaign

We asked Erling Norvik if the Conservatives had waged a campaign that was good enough in view of the fact that Young Conservative chairman Kai Henriksen told AFTENPOSTEN on the night of the election that the Conservative Party should have been more involved from the beginning and we wondered if he had any comments on that.

"We were quite alone in waging a campaign in the summer and we had a high level of activity in the last few weeks. But I admit that when the Labor Party set off its barrage in North Norway in mid-August the Conservatives did not have anything comparable to offer."

It was said in the campaign by Conservatives as well as others that Prime Minister Kare Willoch got off to a "late start." Did he have any comments on that?

"Willoch's efforts made a big contribution to the Conservative Party's excellent final spurt in the campaign. One can always discuss whether he should have got off to an earlier start," said Erling Norvik, who pointed out that none of the reactions that have come in to the Conservative offices on Stortingsgate in Oslo after the election contained criticism of leading Conservative politicians.

Erling Norvik has seen a lot of Conservative election campaigns. What was his impression of the level of excitement and enthusiasm among the many Conservative representatives around the country in this campaign? He replied:

"There was not as much enthusiasm as there was in the elections in the 1970's and in the 1981 election, but there was much more than we saw in the 1983 election."

#### Satisfactions--and Regrets

Erling Norvik is most pleased by the gains the Conservatives made in Oslo and Akershus and especially by the results in Telemark. He regretted that the Conservatives lost seats in Hedmark and Oppland. "A couple of hundred votes more and the seats would have been saved," Norvik sighed, thinking of those who "threw away" their votes in these counties by voting for the Progressive Party.

Erling Norvik has said that this is his last period as Conservative Party chairman. He will step down at the party's national congress next year. The election outcome has not changed that. If one asks about Norvik's political future one receives this answer:

"In the first place I will take a vacation now. In a few days I will go on a 2-week vacation so I can rest up. Somewhere south of here."

#### Opinion Institutes Did Good Job

"Weakened Willoch wins--with Hagen in the key position." That was VERDENS GANG's major news item--not yesterday but on the day of the election. The paper was able to make this prediction on the basis of a party poll Scan-Fact had carried out on Saturday. Scan-Fact thus "won" the battle among the polling institutes to come closest to the actual outcome.

The branch did much better this time than in 1983 when all the polls were conducted several weeks before the county elections so that none of the institutes detected the strong anti-Conservative trend in the final spurt. There were a couple of bombshells this time but by and large most of the institutes did well, especially with regard to the smaller parties.

As we said Scan-Fact came the closest and that was as it should have been. Aside from the NOI [Norwegian Opinion Institute] telephone poll no other institute sampled opinions so close to the day of the election and Scan-Fact's group was almost five times the size of NOI's.

It was followed closely by Norwegian Market Data and MMI [Market and Media Institute] (DAGBLADET) while both NOI's regular party barometer and the telephone poll AFTENPOSTEN published on election day were farthest from the actual results.

All the institutes underestimated the gains made by the Labor Party and all with the exception of NOI had the Conservative Party rated a little on the

low side. But an error of less than 1 percent for a party as big as the Conservative Party is still quite satisfactory and well within the margin of error.

All with the exception of MMI accurately registered the Liberal defeat. And the polls left little doubt that the Progressives would not do well in the election.

The Center Party was somewhat underrated but this involved only fractions of a percentage point. On the other hand all expected SV to do better than turned out to be the case. And the Christian People's Party's decline was somewhat greater than predicted.

One must conclude that the branch came away from the election looking pretty good.

#### Voting Patterns Scrutinized

Oslo AFTENPOSTEN in Norwegian 12 Sep 85 p 2

[Editorial: "Voters Speak Clearly"]

[Text] The Labor Party did very well in the election, far better than anyone expected ahead of time. The Willoch government will encounter a different and bleaker political reality in the Storting period ahead of us. The new situation will require better cooperation and more discipline on the part of the nonsocialist parties. Here too the lesson of the election is simple and easy to grasp.

The Conservatives did well in the central Ostland area. The party actually strengthened its position in Oslo and Akershus. But when it comes to the outlying districts there was an ominous trend toward declining Conservative support. Roughly speaking the party lost what it won in 1981.

That should make the party stop and think. The Conservative Party's position as a broad popular party depends on support far beyond Oslo. In an analysis of the alleged contrasts between town and country it should be noted that the Center Party maintained its position in rural areas too, by and large. At the same time the party made gains in several towns and villages. While the Conservatives and the Christian People's Party lost votes on the basis of the government's loss of credibility on social policy, the Center Party made gains by appearing in the role of a solid nonsocialist supporting player in the government position.

In a situation where the opposition obviously intends to utilize the security policy differences that are primarily an internal problem of the Center Party, the election results should be a reminder to the party leadership to keep their house in order. With the narrow margin the government now has, they cannot tolerate any nonsense.



With regard to the declines of the other two parties in outlying districts we cannot ignore the central role played by health and social policy in the campaign. The difference between the central Ostland region and practically all the rest of Norway is obvious. It is apparent that voters in our part of the country regarded this year's conflict as a government election to a large extent. Individual issues played a smaller role than they did in other parts of the country, partly because the economic growth has had an earlier and stronger impact here. The media situation has also helped to keep the choice between two clear government alternatives in the foreground.

The defeat for the Progressive Party further emphasizes the fact that urban voters made a choice between two clear alternatives. That is one of the reasons for the strengthened Conservative position in the capital. Carl I. Hagen should stop and think before he carries out his threat to join forces with the Labor Party. Progressive voters do not want Hagen to pave the way for a new socialist government under the leadership of Gro Harlem Brunatland. Nor do Hagen's voters want him to vote for the Labor Party's excess spending and thus assist in breaking all limits on public spending.

This is a trite point and it is painful to have to remind him of it. But apparently it is necessary. Many people ought to reconsider things after the election. That is especially true where Hagen is concerned. As far as the three government parties are concerned, we trust they can read the handwriting on the wall.

6578

CSO: 3639/168

POLITICAL

NORWAY

MILITARY INTELLIGENCE SERVICE CHIEF ON FUNDING, KGB, PRESS

Oslo AFTENPOSTEN in Norwegian 16 Aug 85 p 9

[Interview with Rear Admiral Jan Ingebrigtsen, outgoing chief of military intelligence, by Liv Hegna; date and place not given]

[Text] "The United States is a superpower that has never experienced a direct invasion threat to its own territory. Norway is a kind of 'micropower.' And our installations would mostly lie behind the Soviet Union's advanced operation areas in the event of war. Therefore it is a mistake to compare the intelligence activities of the United States with those of Norway." The chief of the armed forces intelligence staff, Rear Admiral Jan Ingebrigtsen, made these remarks to AFTENPOSTEN. Ingebrigtsen is leaving today after serving in this position for 6 years.

[Question] It is said from time to time that the Norwegian intelligence service is practically a subordinate of the CIA. Would you comment on that?

[Answer] The United States is the only country in the world that has the capacity to offset the Soviet Union militarily in our region. Therefore it is with regret that one sees certain circles treating the armed forces, including the intelligence service, almost like criminals because of the good cooperation with the Americans. It is a question of giving and receiving. Norway does not stand with hat in hand to ask for crumbs from the "rich man's table."

We have an excellent organization that also makes a contribution to NATO. The alliance does not have its own intelligence apparatus and is totally dependent on contributions from its member states. The fact that we are well-equipped in the area of intelligence and able to furnish NATO with valuable information is an advantage both for us and for the alliance, including the United States.

Of course it is no secret in this country that we have an intelligence service. The chief and many people working for the service are public figures whose names can be found in the telephone book.

But it is vital for the nation to keep some things under wraps. If an enemy knows everything we do, Norwegian soldiers will lose the advantage of having some surprises in reserve. It is quite imperative that we keep some fists clenched behind our backs. We will not show these fists until the day when it is absolutely necessary.

#### Money

[Question] Why isn't it possible to find out how much money is spent on the intelligence service in Norway by looking at the defense budget? Where does the intelligence service really get its money from?

[Answer] The answer to that question will remain a well-kept secret. The reason, of course, is that one of the things that should not be made public is the size of the intelligence service's organization and apparatus. If one had some idea of how much money goes to this part of Norwegian defense one could figure out with reasonable accuracy details that should not be known by other countries.

[Question] Is control over the secret services a controversial issue?

[Answer] From a professional point of view the chief of defense himself is in control of the intelligence service. Politically, as you know, we are under the control of a committee whose members are not publicly known. This arrangement is entirely satisfactory.

[Question] What about the charge that Norway is a superpower when it comes to intelligence?

[Answer] We have a professional intelligence service that enjoys international recognition. A national intelligence service is a basic prerequisite for the nation's ability to pursue an independent security policy.

(But Jan Ingebrigtsen hastened to put to rest several myths about the service he has headed for 6 years.)

It is not true as many people seem to think nowadays that satellites and surveillance planes have taken over the role played by intelligence officers. The human factor is more important than ever today and that will continue to be true in the future. Material that has been gathered has to be analyzed and interpreted. No computer in the world can do this entirely on its own.

Nor can satellites keep an eye on every part of the world at the same time. That would require an enormous investment that is unthinkable for both economic and purely practical reasons. Just think how much film or quantities

of data would be required. Satellites must therefore be used on a very selective basis.

### Myths

(The admiral drew a deep breath and let loose with at least his fourth attempt to destroy a myth.)

Nor is it true, as some people maintain, that the KGT knows everything, which makes it unnecessary to keep certain things secret. If that was the case the Soviet Union would not need a gigantic organization and it would not have to work so hard to expand its network.

(It was natural here to ask a question about the Treholt affair, but Admiral Ingebrigtsen stuck to the formal correct line.)

The case will be considered by the Supreme Court. Before the final decision on the case has been made the intelligence service does not have any opinions to offer.

### No Respect for Spies

[Question] But the chief of the intelligence service must have an opinion about spies in general?

[Answer] Norwegians who sell information to other countries are traitors. They do not deserve any respect.

Revealing defense secrets can be the same as showing an enemy the best place to commit his forces, thus jeopardizing the lives of one's own fellow countrymen.

[Question] But it must feel like a moral dilemma that Norway has a well-developed intelligence apparatus that gathers information concerning the defense dispositions of other countries while we condemn our own people to the most severe sentences.

[Answer] This is precisely where the difference lies and it is so important that I would like to comment on it. I have great respect for foreign agents who carry out professional intelligence activities for their own country. It is an entirely different matter when a Norwegian works for another country's intelligence service.

(The intelligence chief was eager to praise his own subordinates. Capable people. Excellent from a professional point of view. Mentally very strong. Handpicked people. Jan Ingebrigtsen felt it was important to define the intelligence service in relation to the security service and the surveillance service, as follows.)

We in the intelligence service concentrate on gathering information concerning military developments in surrounding areas and matters that could represent a threat to our country.

The job of the security service is preventive in nature. The service tries to prevent classified information from going astray and to make sure that people handling such material work in accordance with the security directives that have been issued. The surveillance police, on the other hand, come under the Justice Ministry and are engaged in counteracting espionage activities and, in recent years, terrorism, in other words the enemy within. It is my impression that most people have very vague ideas about the different services. One of the reasons is the tendency to create a mystique about the people working for these services while at the same time both romanticizing and criminalizing them.

### Pillory

(Rear Admiral Jan Ingebrigtsen said that the Norwegian press today has introduced a kind of "pillory mentality" that scares many people away from taking part in the public debate.)

In a great many cases where I have had occasion to check the degree of truth in media material it has either been a little off, way off or downright inaccurate. I think this is troubling when one feels, as I do, that a free and independent press is one of the cornerstones of our democracy.

In the old days one could rely on what one read in the newspaper. That is no longer the case.

In relation to the armed forces, all the big newspapers should hire their own consultants on military matters. That would help the armed forces a great deal.

[Question] Perhaps the intelligence service should hire its own press consultant, as other countries, such as Denmark, have already done.

[Answer] The intelligence service can use the Defense High Command's press and information section. We have professionals there who are familiar with the press.

A good many journalists have gone through the Defense College over the years but that is no guarantee that they are thoroughly acquainted with these matters, said Rear Admiral Jan Ingebrigtsen at the end of his farewell interview with AFTENPOSTEN. Starting Monday he will be working for the Norwegian Industrial League where he will serve on the cooperative group on Norwegian defense supplies.

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CSO: 3639/159



POLITICAL

NORWAY

GORDIYEVSKIY REVEALED TREHOLD AS SPY

LD211913 Stockholm Domestic Service in Swedish 1600 GMT 21 Sep 85

[Text] The Norwegian newspaper VERDENS GANG reports today that it was the KGB man who defected in London, Oleg Gordiyevskiy, who pointed out the Norwegian Arne Trehold as a Soviet spy. Here is a report from Oslo about it:

VERDENS GANG, which throughout the Trehold affair was extremely well-informed, refers to well-placed, reliable sources in London. According to the newspaper, it was only a few months before Trehold was arrested in January 1984 that Gordiyevskiy could give his name. Before that, he had for a long time been handing out important pieces of the pattern which increased suspicion of Arne Trehold. The first thing Gordiyevskiy reported was that the KGB had a highly-placed, valuable Norwegian agent. He also revealed the types of documents and other information the Norwegian agent was providing to Moscow. Gordiyevskiy was also able to say that the Norwegian spy was regarded as one of the KGB's ten most important spies, and that the KGB paid him, as he put it, "generously."

CSO: 3650/354

POLITICAL

SWEDEN

NEWSPAPER, VPK LEADER COMMENT ON PALME ELECTION WIN

Newspaper on Parties' Performance

Stockholm DAGENS NYHETER in Swedish 16 Sep 85 p 2

[Editorial: "A Repeat of the 1948 Election!"]

[Text] Older and middle-aged voters must have recognized the situation while waiting for the election results to come in. This is the way it was in 1948. The Liberal Party under a new leader who attracts votes wins a large victory, while the Social Democrats stay in power despite some mandate losses. The Liberal Party more than doubled its votes in 1948. According to prognoses in the evening of the election day, the same thing is said to have happened.

Olof Palme stays on. The outcome of the election must be regarded as a Social Democratic victory, despite a minor decline. As we have seen in a number of elections both in Sweden and in the neighboring countries, it is harder to face the voters when in power than in opposition. The policy conducted by the Social Democrats since 1982 has been given a passing grade.

We have had a growing economy during the election campaign. But even taking that into account, the country's economy has developed unexpectedly favorably. The Social Democrats decided on a daring strategy, and it is evident that the voters felt there was a firm and sure hand in the leadership of the economic policy. Within the framework for what was politically feasible, with regard to the party's traditions, its relations to the labor union movement and the mandate situation in Parliament, the economic issues have been handled well. That is largely what determined the election outcome.

The recovery of the Liberal Party, from occasionally having dropped below four percent in the voter polls at the beginning of the election period, is fabulous. The foundations for this were laid with the election of Bengt Westerberg as chairman 2 years ago, but as recently as 1 month ago there were no sure signs that the Liberal Party would gain any mandates. Westerberg has conducted an election campaign which has been the opposite of catering to the public, with a minimum of rhetoric and promises. For a party which has had its profile erased through compromises and coalition-regulating, this turned out to be the right tactic for sending clear and unequivocal messages.

One has the feeling that the votes for Westerberg are partly votes in protest against Adelson's and Palme's exaggerations, unbridled behavior and effect-seeking during the election campaign. People in the election field are of the opinion that things turned around for the Liberal Party when television viewers first saw the Adelson-Palme debate in Vasteras and the next evening Westerberg in the question-and-answer session with the party leaders. The contrast was striking.

Under Westerberg the Liberal Party has returned to the main political line represented by Bertil Ohlin: forming a front against Social Democracy, anti-socialism, free economy, social responsibility. Just as Ohlin, Westerberg has gained confidence as the one most knowledgeable in economics of the party leaders. The fundamental attitude is non-socialist and marked by economic responsibility. Against that background the party has been able to emphasize the social and compassionate portion of its message in the election campaign. That was the winning Liberal line in the forties and fifties.

One problem from that period returns now. At that time the Liberal Party was totally dominated by Ohlin, and it took time before the party acquired a cadre of trained politicians equal to its size in Parliament. In Sunday's election the Liberal Party has gained 25-30 new mandates, but in the new parliamentary group there is a lack of well-known and experienced men and women. The party has lost most of its leading representatives since the end of the 1970's.

The Conservatives' election defeat came as a total surprise. It caught the party completely off-guard, and it is understandable if Gosta Bohman's dagger-thrust reasoning will be adopted within the party for lack of a tangible explanation of the election outcome. Ulf Adelson has consistently refrained from polemics against the Liberal Party and Center Party, but Westerberg and Falldin have, as far as is known, not promised to keep silent about the Conservatives. Their parties have done nothing but lose to the Conservatives for the last 10 years.

The right-wing wave has now been broken; 1985 was to have been the breakthrough for a new political thinking in Sweden, using the same sources of inspiration as the conservative policy in Great Britain and the United States. The voters have put an end to these hopes. The Conservative alternative appears relatively theoretical, now that the middle parties once again dominate on the non-socialist side.

The Center Party has lost votes because its policies are unclear. The Dagmar decision, the election cooperation with the KDS [Christian Democratic Union] and the health insurance issue have made the voters uncertain. The Dagmar decision might have become a winning issue for the Center Party if the party's policies in general had kept pace with the voter opinion, but now the result was too many question marks. The Center Party had to conduct a defensive election campaign and was then ruthlessly hit by the easy mobility of the nonsocialist voters within the bloc.

# Werner Declares Support Conditional

Stockholm DAGENS NYHETER in Swedish 16 Sep p 8

[Article by Claes Leo Lindewall: "VPK Takes Losses Calmly: We Have Stopped Adelsohn"]

[Text] The mood brightened at the VPK's [Left Party-Communists] election party as soon as the prognoses showed that the Conservatives were losing. The fact that the VPK had not gained was something that one took calmly.

"Party troubadour" Pierre Strom entertained and, to begin with, party secretary Kenneth Kvist. Kenneth Kvist turned out to be quite good at playing the German flute.

VPK leader Lars Werner entered Restaurant Wallonen in central Stockholm just after the first prognosis.

He was met by applause and cries of: "Lasse, we voted for you."

Appeared Satisfied

However, it was still too early for him to comment. But he looked satisfied; Earlier the opinion figures had showed a drop of about one percent for the VPK.

Having greeted friends all around the room, he disappeared into an adjoining room in order there to follow the continuing count.

With him sat, among others, party secretary Kenneth Kvist and the group leader at Stockholm City Hall, Brit Rundberg.

Without TV

But the Telecommunications Agency had only managed to hook up one of the television channels to Restaurant Wallonen; all they got was Finnish broadcasts once in a while, and the VPK leader also was not able to contact the party districts around the country.

Then at about 11 pm he came out and said to the gathered press:

"We don't know what government we will have in this country, but we know that the Nordic cooperation is working well."

He had gathered, however, that the VPK had had about the same election as in 1982. Are you satisfied with the result?

"Yes," said Lars Werner, "we had the ambition to stop Adelsohn from becoming prime minister and to increase our strength within the worker majority. We succeeded with the first and our share of the majority is heavier than before. No, we are not dissatisfied, but you can always wish for more."

DAGENS NYHETER: "Why do you think that the Liberal Party has gained?

"I would like to congratulate the Liberal Party," Lars Werner said. "They have both had a good election and they don't have to govern with the Conservatives."

#### Vulgar Policies

"The important thing that has happened in this election is that we and the Social Democrats succeeded in breaking the Conservatives' vulgar, simplistic and cynical policy. Westerberg has filled a vacuum. The Liberal Party represents a more decent and more cultural right-wing policy."

"The fact that the Center Party has lost votes is due to the fact that they were too flat toward the Conservatives. This made them lose credibility. Falldin should have learned from Westerberg, who attacked Ulf Adelsohn after the statements in Trelleborg."

DAGENS NYHETER: "For the Social Democrats this result means that they become dependent on your support?"

"That is something we will discuss very carefully," Lars Werner said.

#### Discuss Carefully

[Question] Can you envision toppling a Social Democratic administration?

[Answer] That depends on how the Social Democrats act, Lars Werner said. "But that is something we will discuss very carefully."

[Question] Alf Svensson has previously said that he wanted a ministerial post. Will you demand such a post?

[Answer] That is no longer in question for him. I have not demanded any, because I have greater claims for credibility than he does, Lars Werner said.

Then the VPK leader laughed and said:

"The only post I could envision would be minister of fishing. For tomorrow at 8 am the nets are going out."

11949

CSO: 3650/353



MILITARY

FEDERAL REPUBLIC OF GERMANY

# SURVEILLANCE, CONTROL ELEMENTS OF ARMY AIR DEFENSE DESCRIBED

Bonn WEHRTECHNIK in German Jun 85 pp 68-81

[Article by Rudolf Walter, specialist in Federal Ministry of Defense: "Army Air Defense, Reconnaissance and Command and Control System"]

[Text] The mission of the army air defense force is to use its main weapon systems, the GEPARD antiaircraft gun tank and the ROLAND antiaircraft missile tank, to defend primarily the armored combat forces against surveillance and attack from the air, so as to maintain the army's freedom of maneuver. An earlier planning phase of these two air defense weapon systems indicated already that the variety of impacts exerted by the environment of the deployment area reduce the combat capability of these one-vehicle systems if they are forced to operate independently because of the lack of adequate control systems. Lieutenant Colonel Walter, an expert in the Defense Ministry, relates in this article the manner in which this recognized deficiency will be remedied with a surveillance and combat control system.

These negative impacts include the following:

--simultaneous appearance of a large number of friendly and enemy aircraft operating at a great variety of speeds. This generates air defense command and control problems which necessitate restrictive fire controls so as to protect friendly aircraft against accidental attack;

--low-level flight of enemy as well as friendly aircraft. The delay in detection caused by this reduces the time available for evaluating the threat and preparation of the firefight. The result is that an attack at azimuth angles with reduced acquisition ranges are initiated too late, that it can be of only short duration or that it is entirely impossible (e.g., with guided missiles);

--high target density of saturation formations being flown for the purpose of penetration of the air defense deployed near the FEBA [forward edge of the battle area]. Lack of coordination of defense fire of independently operating air defense weapon systems leads to overkill or else to failure to hit the targets.

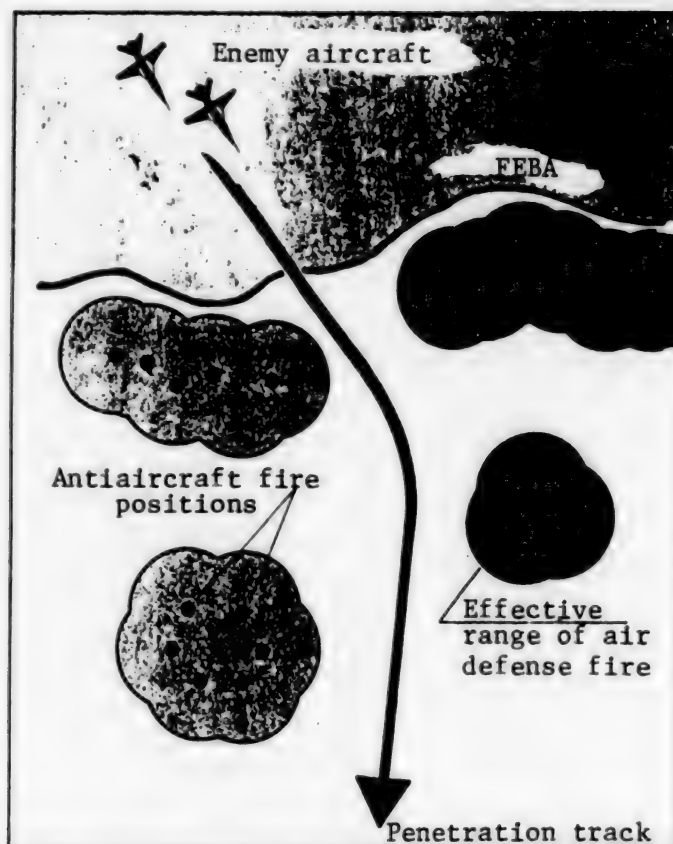


Figure 3. Skirting Air Defense Operational Areas With Electronic Surveillance

--a variety of activities in enemy electronic warfare. Thus enemy surveillance of the continuous emission of electromagnetic radiation by independently operating air defense weapon systems can provide him the opportunity of circumventing the air defense areas while penetrating (Figure 3). This reduces the combat value of the air defense weapon systems to zero. The weapon systems can also be specifically neutralized by ECM for certain periods of time or be destroyed by antiradiation missiles (ARM) or on-board weapons (air defense suppression);

--fluid ground operations, causing haphazard reconnaissance and fire positions with reduced detection and effective ranges;

--great stress for the crews in manning their systems. Added to this is the fact that total responsibility in a firefight drifts down to that lowest echelon, since the battery commander has no way of directing or supporting the firefight;

--materiel wear and tear due to the necessity for continuous operation of the systems.

For the Central European theater of operations, independent operations are the lowest level of those benefiting from the performance capability of air defense weapon systems.

#### Approach to a Solution

The problem as defined indicates the need to neutralize the expected reduction of the combat value of air defense weapon systems by installing control systems and external air defense surveillance measures. These measures are combined in a command information system, the Army Air Defense, Surveillance and Combat Command and Control System.

Its deployment is primarily designed to improve command performance at the focus of air defense combat action, i.e., the battery level, so as to be able to fulfill two contradictory tasks:

--on the one hand, to make optimum use of the weapon's technical capability, while

--protecting the safety of friendly aircraft against erroneous attack.

Significant improvements in command and control are to be made by

--intensified airspace surveillance and

--speeded up processing and transmission of command information for which time is the critical factor.

Airspace surveillance, the main mission of the air defense, surveillance and combat control system, should thus function externally, i.e., separate from the air defense weapon system, with the following features:

--a dense reconnaissance umbrella which improves detection capability over that of the independently operating air defense weapon system (Figure 4);

--a wide radio coverage area, providing up-to-date air situation reports even while on the move; this would provide

--increased combat value by surprising enemy air through electromagnetic masking of air defense operational areas; time saved for attacking, fire control (economic use of ammunition); improvement of air defense command procedures;

--increased survival probability through defense against enemy reconnaissance and offensive measures of electronic warfare and air defense suppression.

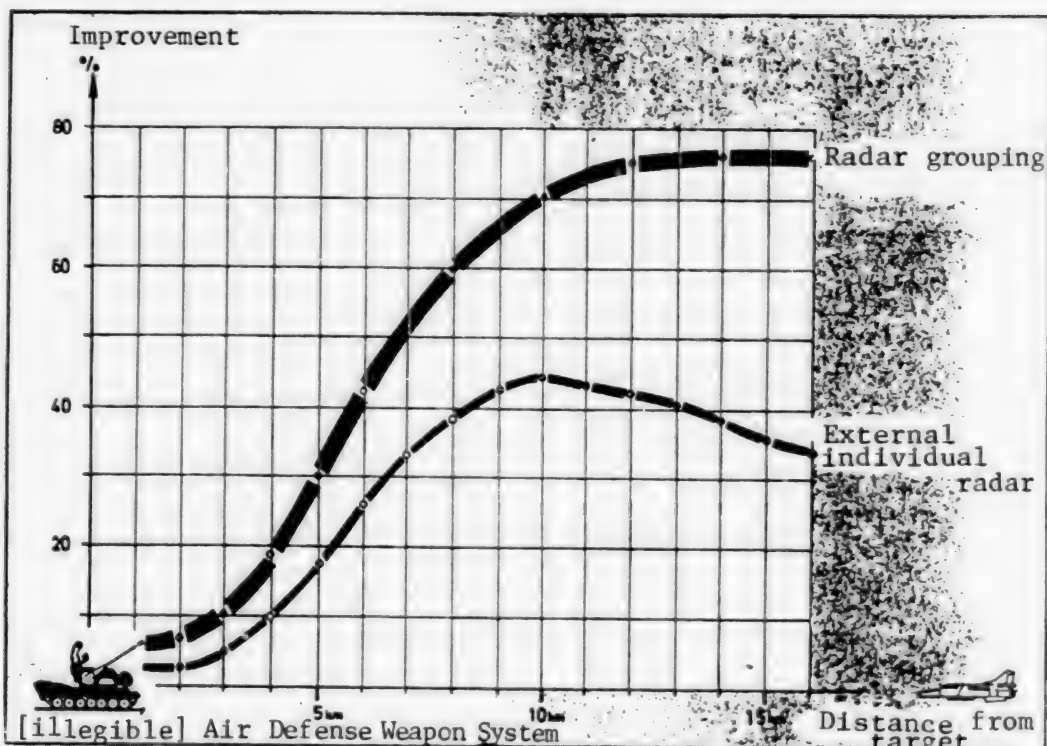


Figure 4. Improvement in Detection Probability Through Individual External Radars and External Radar Groupings of Specified Density Relating to Independently Operating Air Defense Weapon Systems. The improvement is calculated for average European terrain conditions, for a flight attitude of 70 meters above the terrain and for all angular bearings.

### The System Concept

The following are the features of the system concept:

--clear separation of the reconnaissance and command functions, for the purpose of relieving the load imposed on information transmission and processing equipment. In this manner the impact of technological changes (mission changes, improvements) remain restricted to the functional area concerned. At the same time, this procedure permits the establishment of goal-directed, simple interfaces with the outside;

--mobility of reconnaissance equipment, for their quick integration into the course of the operation, but also to shorten downtimes for establishing measuring or move preparedness. Mobility also includes the capability of occupying more surveillance positions than in the past and for the first time to be able to use cover and concealment (Figure 5), which increases the survival capacity of the air defense reconnaissance equipment;

--flexibility of the system layout, so as to be able to maintain the viability of the system under enemy attack as long as possible through "graceful

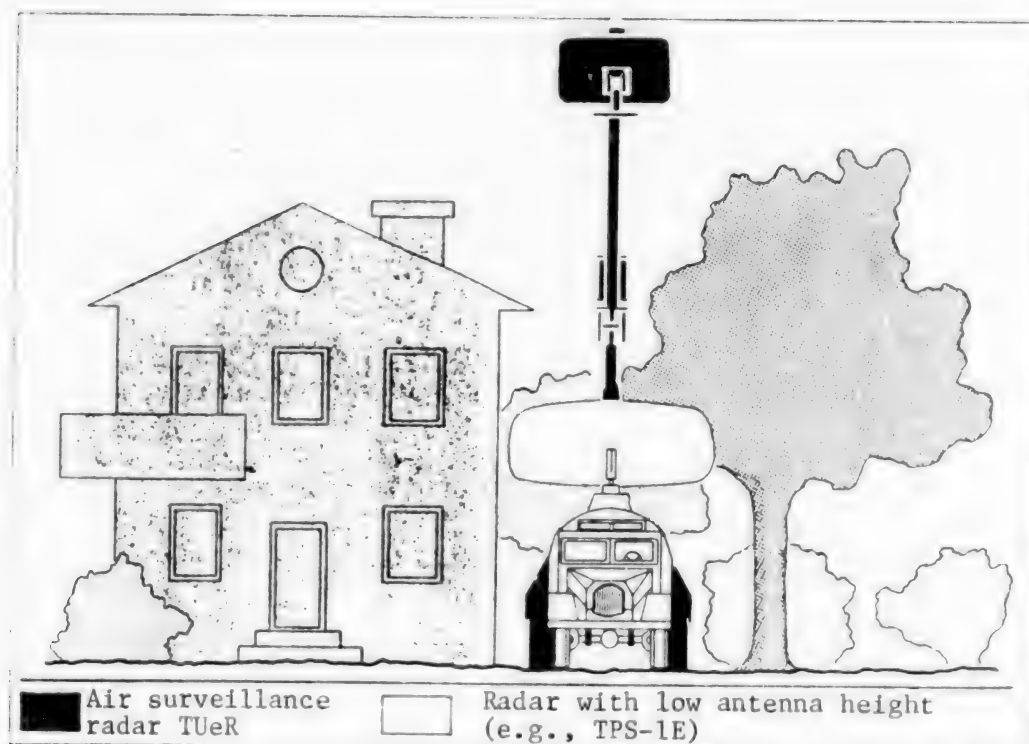


Figure 5. Greater antenna height increases the number of suitable reconnaissance positions; at the same time, it provides opportunities for cover and concealment.

degradation." This applies particularly to defense against enemy electronic warfare measures, the expansion and/or exchanges in the "reconnaissance" functional area (e.g., addition of different types of sensors) to facilitate establishment of interoperability with similar systems, thus expanding the command function from the battery level upwards;

--even usage of system components;

--a clear limitation of the number of data to be processed, transmitted and displayed, in accordance with this principle: "process only those data which are required for the control procedure currently in progress."

The system concept and therefore the solution are basically oriented upon the threat, conduct of friendly operations and terrain structure, as well as upon the organizational structure of the army air defense force (manpower, distribution) and the availability of frequencies.

#### System Structure

The system consists mainly of components for the functional areas (Figure 6) reconnaissance, command and combat with the required communications equipment. The system also includes defensive materiel for training (especially simulators), logistics and software maintenance.



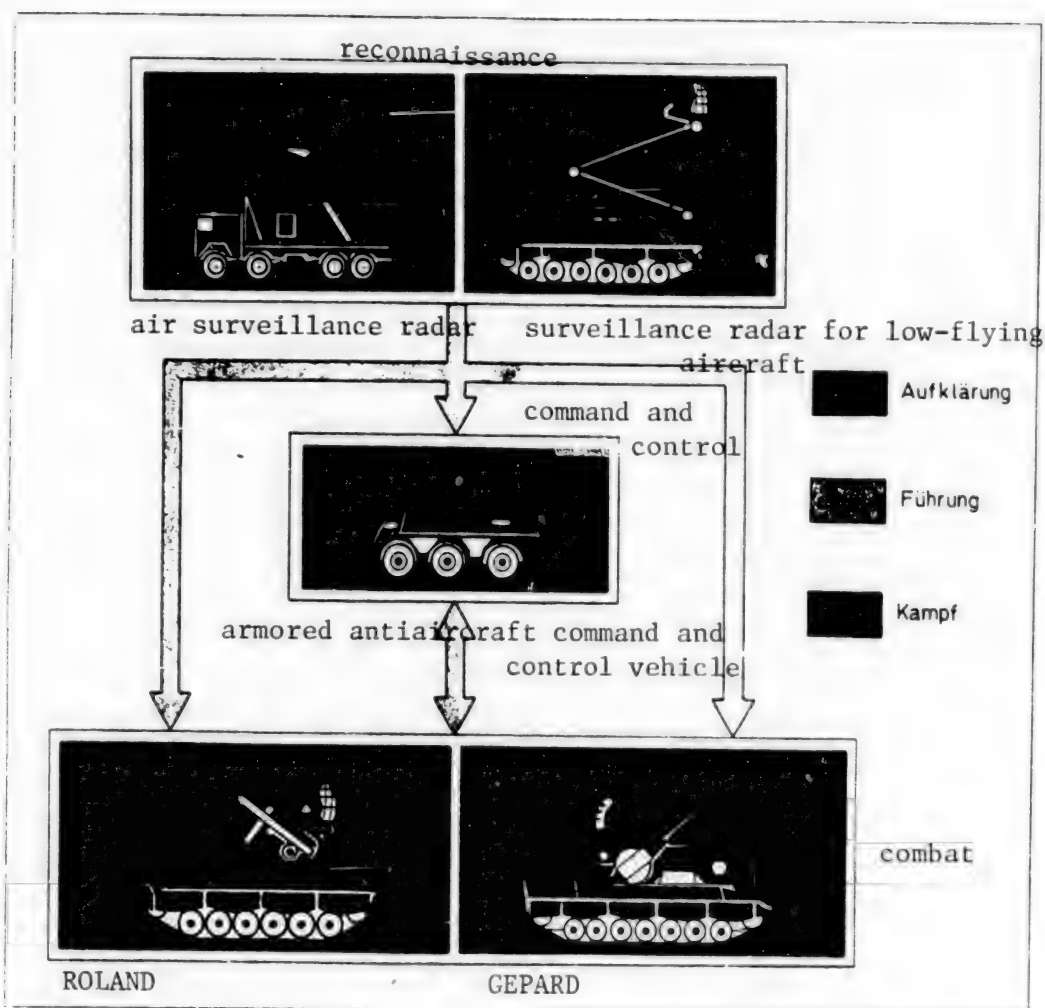


Figure 6. Overall Structure of the Operational Areas of the Army Air Defense Command System

### Reconnaissance

The reconnaissance functional area is based on the two systems components

--low-level flight surveillance radar, [Tieffliegerueberwachungsradar, TUEr], known as armored radar vehicle TUEr;

--airspace surveillance radar [Luftraumueberwachungsradar, LUEr], known by the initials LUEr.

### The TUEr Radar Armored Vehicle

The TUEr is a highly mobile piece of reconnaissance equipment designed for deployment in the FEBA area. This modern single-vehicle solution makes possible access to and occupation of positions which cannot be used by wheeled vehicles because of terrain conditions, the size of the position surface and

surrounding vegetation. The number and suitability of reconnaissance positions can additionally be increased by the fact that the antenna can be continuously elevated with a hydraulic articulated mast to a maximum of 10 meters above ground, thus being raised above anything blocking its view.

A modified MARDER infantry tank serves as the carrier vehicle. It carries, apart from the four-man crew, the compact radar instrumentation, the IFF instrument, two system work tables with display screens, the air situation data processing devices, the vehicle navigation device as well as radio equipment and the electric generator.

The pulse Doppler radar device, specially modified to detect low-flying aircraft, i.e., those flying among the ground clutter, uses the F-band. Elaborate data processing makes possible the usefulness of appropriate signals even in the presence of unfavorable target echo/clutter conditions.

The high scan rate made possible by the COSEC<sup>2</sup> antenna diagram (Figure 8) provides for reliable tracking of targets, even those with a brief or frequently interrupted display duration.

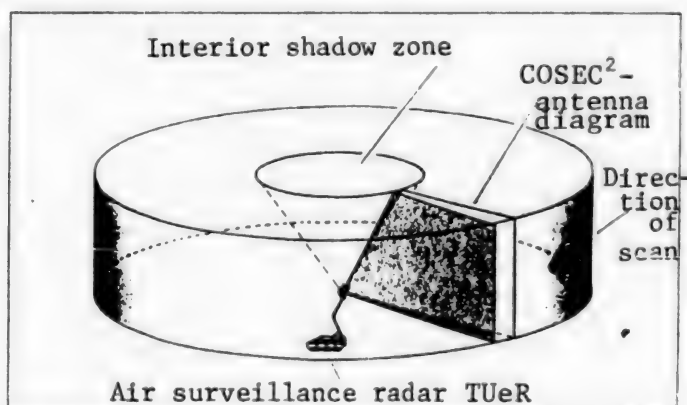


Figure 8. Air Surveillance Radar TUEr, a Reconnaissance Device With Two-Dimensional Scanning (2-D-radar). The COSEC<sup>2</sup> antenna diagram has 360° mechanical rotation.

Apart from distance to the target, the sensor also provides azimuth angle information (2-D-radar).

ECM also permit information gathering during enemy electronic warfare activity.

The crew can make the TUEr radar tank ready for operation or movement within minutes (Figure 9) [omitted].

The built-in automatic monitoring system verifies proper functioning and permits rapid diagnosis of malfunction all the way down to the module/plug-in card level. Despite their tightly packed condition, modules are easily accessible. Detailed diagnosis and quick interchange capability of defective modules and subassemblies permit repair up to and including third-echelon maintenance in the field and contribute to combat availability.

The radar equipment, commercially designated "MPDR 3002 S" (Mobile Pulse Doppler Radar) is being developed by Siemens AG. Its carrier vehicle is produced by Thyssen Henschel.

#### LUEr

The airspace surveillance radar (Figure 10) [omitted] is a highly mobile, highly electronic-warfare-resistant medium range radar designed to supplement and improve radar detection by the TUEr radar vehicle.

Similar to the TUEr, the LUEr's phased array antenna is mounted on a mast also. It can be hydraulically raised to a maximum height of 12 meters.

While the antenna device is mechanically rotated in the azimuth, the pencil beam antenna diagram scans the airspace vertically with electronic control (Figure 11).

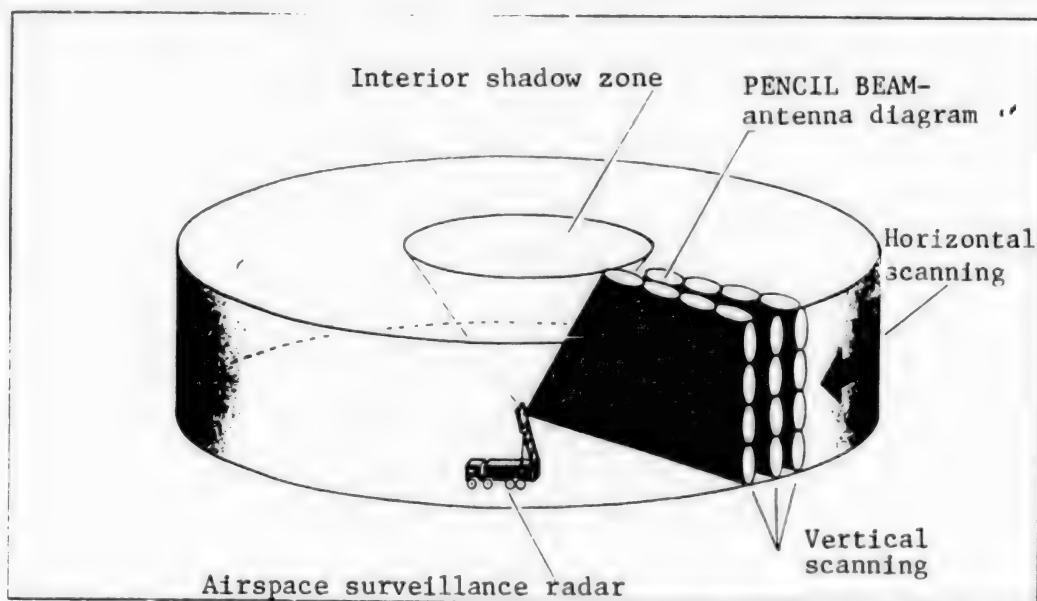


Figure 11. Three-Dimensional Scanning by the Airspace Surveillance Radar (3-D-Radar). Vertical scanning is obtained by phase-controlled swiveling of the pencil beam antenna diagram, while the planar antenna in the azimuth is mechanically rotated for 360°.

Sharp beaming of rays and impulse compression result in an extremely small discrimination cell. It permits resolution even of close formations into azimuth and elevation angles as well as to distance (3-D-radar) and thus to provide a detailed situation image for purposes of threat evaluation. Additional advantages of the small impulse volume consist of the fact that only small segments of false-alarm-generating reflecting surfaces are acquired at any one time (clutter areas or chaff) and that the high performance density increases the capability for overcoming electronic interference generators

which are successful for brief periods in penetrating the receiving process via the main lobe.

Altitude information provided by LUEr permit projection of detected targets onto the map and thus to correct position-finding errors which occur in COSEC<sup>2</sup> antenna diagrams whenever higher-flying targets in the map plane approach the TUEr position (Figure 12).

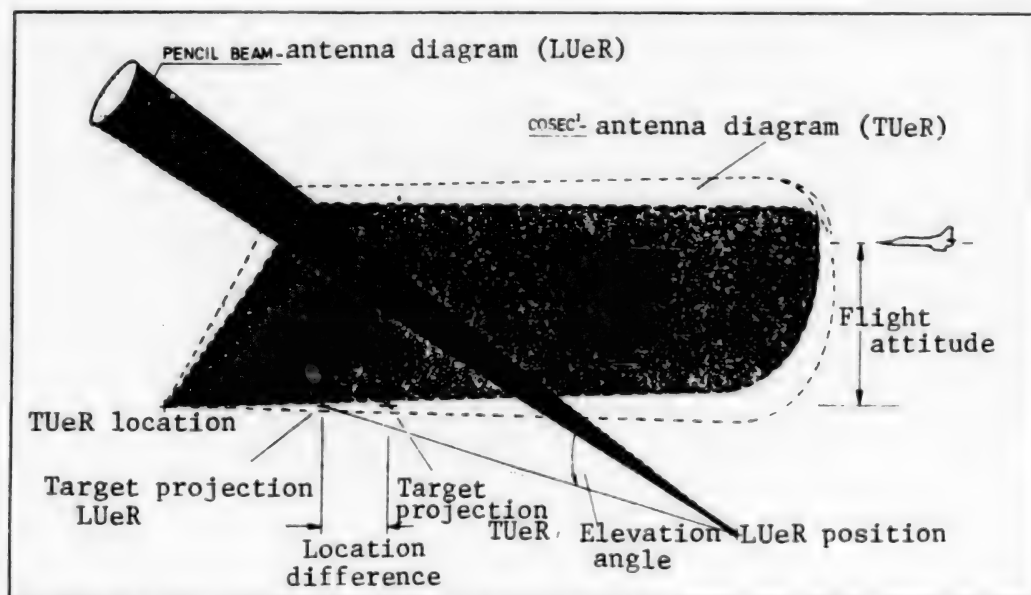


Figure 12. Improving the Position-Finding Quality of 2-D-Radar Installations by Joint Use With 3-D-Radars

LUEr works in the G-band. Its detection range is a multiple of that of the TUEr radar tank.

In the case of ECM, constantly operating ECCM can be supplemented by the operator with special circuit ECCM appropriate to the threat.

The surveillance unit consists of the sensor, the evaluating unit, an escort vehicle (5-ton truck) and three electric generators on trailers.

The sensor as well as the evaluating unit is housed in modules and can be operated either on a carrier vehicle (10-ton truck) or dismounted.

The sensor unit (Figure 10) [omitted] contains the entire antenna unit as well as the radar emitter and receiver and the IFF unit. The sensor is remotely operated through a cable.

The evaluating module (Figure 13) [omitted] contains all assemblies required for video interpretation and display, remote control and surveillance of the sensor, including the IFF unit.

The air conditioned, NBC-proof shelter further contains the usual army air defense command system work tables with display screens, the air situation data processing equipment and the radio instrumentation.

A six-man crew can make the entire unit ready for operation or movement within a very short period of time.

LUeR also has an automatic monitoring system which surveys the ongoing functioning and which can monitor proper functioning down to module level. Easily accessible card racks facilitate repair work including third-echelon maintenance in the field.

AEG-Telefunken developed the LUeR radar equipment. Its designation is "TRMS" (Telefunken Radar, Mobile, Search).

#### Command and Control

Part of the Command and Control functional area is the supplementary Army Air Defense Command System "Fire Control" facility. It consists of the system-wide work area with display screen, a data processing unit for determining the present air situation, the position and situation reports of the antiaircraft weapon systems and for threat and fire control calculations.

This supplementary facility is integrated into the available FUCHS transport armored vehicle (Figure 14) [omitted]; thereafter the mobile battery command post is designated as "transport armored vehicle, antiaircraft command and control."

#### Combat

The GEPARD and ROLAND weapon systems are equipped with data processing instruments which permit the evaluation and display of current air situation and fire control information.

#### Systems Function

Below we will go into some detail concerning the working of the functional areas "reconnaissance" and "command and control/combat."

#### Surveillance

To make optimum use of the capabilities of the surveillance components of the army air defense command and control system, especially against low-flying aircraft, the greatest possible number of sensors must be used jointly. It is important that their low-level flight detection ranges overlap, to reduce measurement of the remaining radar shadow regions to a minimum.

The grouped sensors of the system are based on the modern principle of "decentralized network structure."



While in conventional "central" or "hierarchical" reconnaissance networks the functions of the sensors (detection, location, identification), the control room (acquisition, evaluation) and the radio relay (transmission) are either entirely or partially separated (Figure 15), the army air defense command and control system uses reconnaissance materiel, each of which can fulfill all three of the above tasks. This eliminates the need for a separate control room, the critical component of conventional systems (Figure 16).

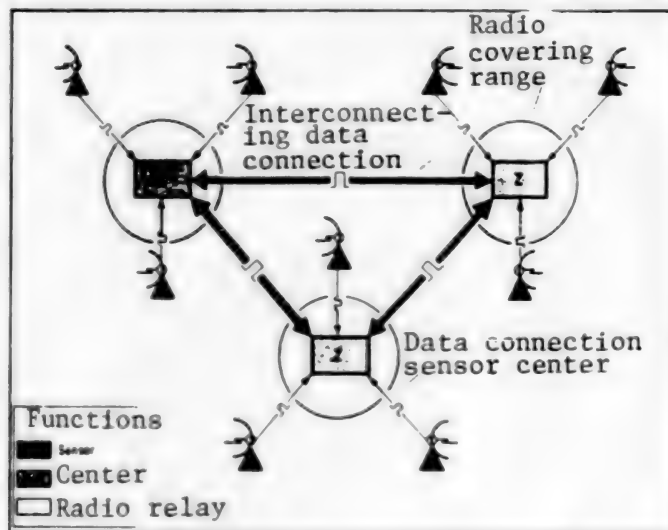


Figure 15. A Hierarchic Reconnaissance Network With Separate Reconnaissance Centers, With Several Sensors Connected to Each. Information exchange is conducted via the centers.

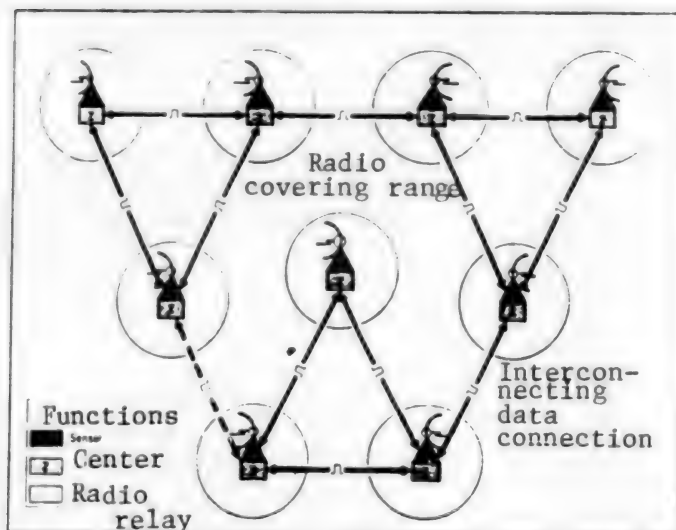


Figure 16. Nonhierarchic Sensor Grouping. Each of the surveillance installations performs all the network functions (sensor, evaluation center, radio relay).

In a "hierarchic" network the loss of the control room immediately leads to the loss of reconnaissance information of all sensors involved. On the other hand, the loss of one sensor in the army air defense command and control system limits the loss of information to only the data source concerned.

In a grouping of sensors, automatic determination of the current air situation proceeds as follows:

Upon occupation of a new reconnaissance position the sensor location is determined and entered into the air situation data processing instrument. In the TUEr radar tank this is done automatically by the vehicle navigation device. With the LUEr, the coordinates determined from the map must be entered manually. Radar antennas must be arranged with particular care. The LUEr for example uses a North-Seeking Gyro for this purpose.

An individual radar gets a fix on a target, i.e., it determines its location with polar coordinates (side direction, distance from the sensor position and, with the LUEr, flight altitude), thus immediately delivers a plot whose data are converted to a Cartesian coordinate system (Figure 17), so as to facilitate the sensor location-related evaluation of the air situation information for the recipient.

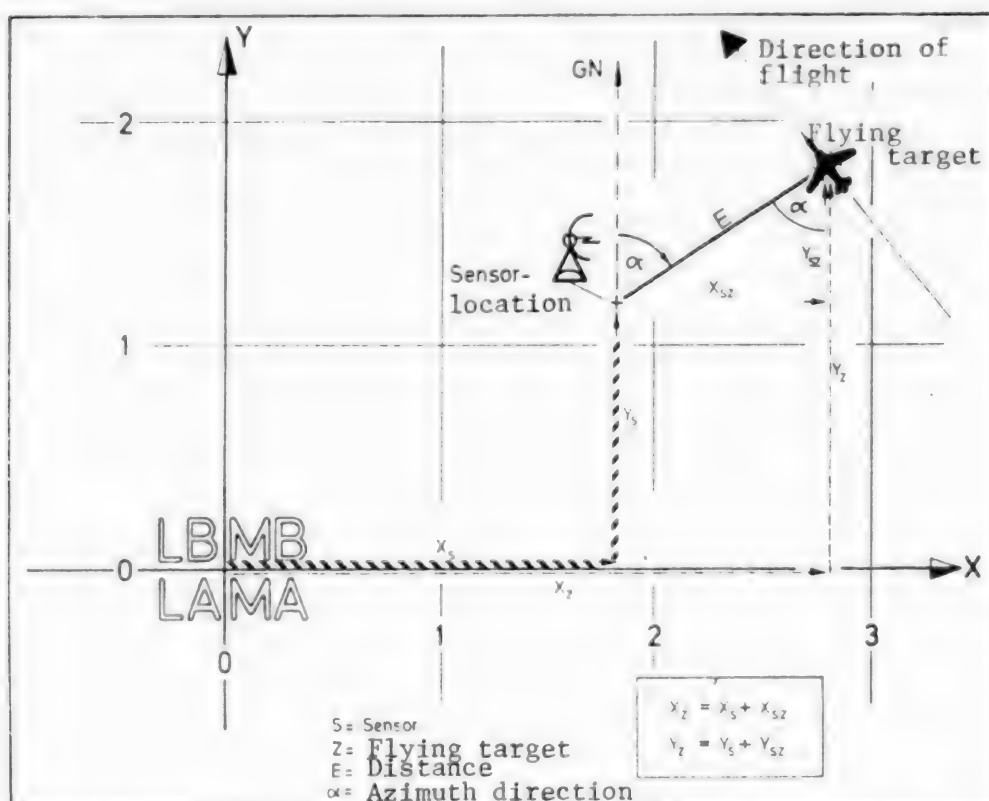


Figure 17. Conversion of Location Finding Results From Polar Coordinates of the Sensor to Cartesian Coordinates

Changes in target position measured after additional revolutions of the antenna provide the flight direction and speed of the target. In this manner tracks are derived from the plots (sensor air situation), whose data are supplemented, among other things, with identification results and transmitted by radio, via the broadcast method, to the neighboring reconnaissance facilities (LUeR or TUEr). The latter compare the data received with their own reconnaissance results, filter the data to remove double images or reflexes and thus once again transmit the supplemented air situation.

The procedure filters down throughout the entire surveillance network until every air defense facility is in possession of the complete current air situation.

The air situation data processing instruments of the users, such as the air defense command transport armored vehicle, GEPARD and ROLAND (Figure 18) automatically convert the air situation data to apply to their respective locations and key the display units in such a way that the air situation is represented as it applies to the location of the receiver.

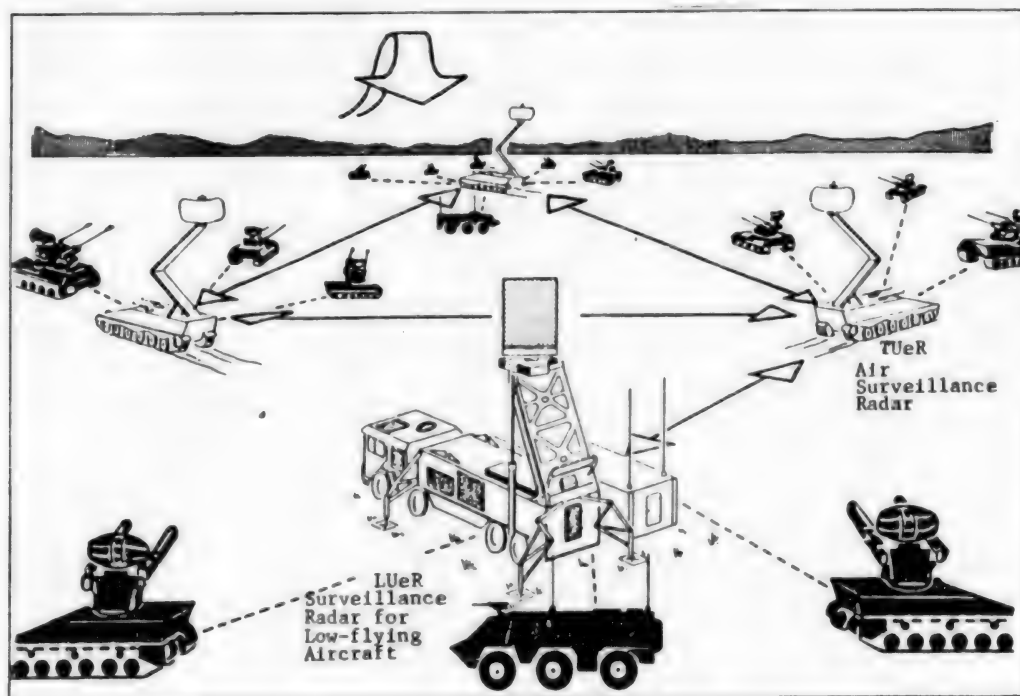


Figure 18. Part of the Decentralized Sensor Grouping of the Army Air Defense Surveillance Command and Control System With the User Systems It Serves (armored air defense command and control vehicle: GEPARD, ROLAND)

## Command and Control/Combat

For the command and control procedure, the battery commander is shown the following information on the system work table: his own location, the positions of subordinate air defense weapon systems, condition of air defense weapon systems and flight tracks of the current air situation.

Should the unit commander decide to employ centralized fire control, the "fire control" instrument set calculates the optimum target/air defense weapon system allocation from the existing weapon locations, their effective ranges and the flight track forecast.

The target allocation telegrams are transmitted to the air defense weapon systems either automatically or after examination by the fire control officer (semi-automatically) and displayed there. Thereafter the commander of individual weapon systems initiates the combat sequence.

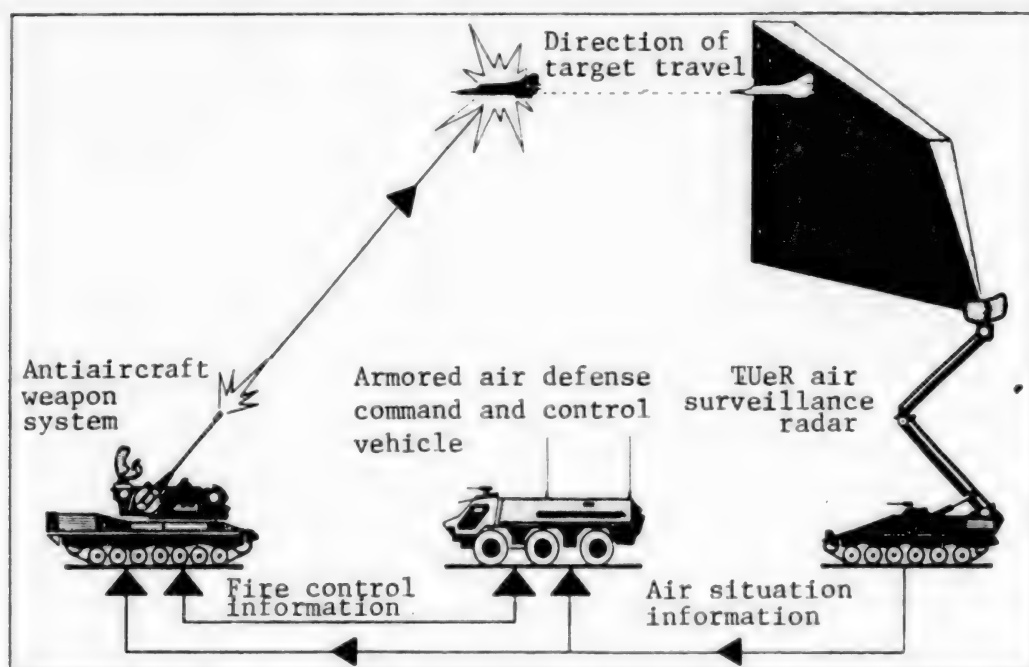


Figure 19. Fire Control in the Army Air Defense Reconnaissance Command and Control System

The "fire control" instrument package also permits the battery commander to allocate targets selectively to individual air defense weapon systems or to the central fire control post.

## State of Availability

The airspace surveillance radar (LUeR) has been fully developed and is ready for service. All other system components are still in the development stage.

## Summary

The army air defense command and control system provides the user with a command information system whose modern concept is closely tailored to the potential threat, friendly conduct of operations as well as the configuration of the Central European terrain structure. The structure of the system and the appropriate hardware and software configuration of individual components prevent a sudden dramatic reduction of the overall system's capability in case of enemy action. At the same time, both features of the system provide good interfaces, for integration with other command and control and especially with other reconnaissance systems, and also for modifications and expansions which might become necessary for threat and technology adaptation.

The system facilitates coordinated functioning of the antiaircraft gun and missile systems. It provides conditions in which the GEPARD and ROLAND are able not only to fully bring their effectiveness to bear against enemy aircraft, but in which the duration of their effectiveness is prolonged by an extension of their survival probability.

The air defense command and control system therefore makes a contribution to the army's freedom of maneuver which must not be underestimated.

9273

CSO: 3620/462



MILITARY

GREECE

BRIEF

SIMULTANEOUS FIGHTER BOMBER AIRCRAFT CRASH--Two Air Force aircraft simultaneously crashed yesterday, something rare even for foreign air forces. The accident occurred at 1215 pm north of the mountainous region of Agrafa, near the town of Petrilo, Karditsa, during a training flight. According to information from witnesses and unofficial sources (the Air Force General Staff did not issue an official communique), the aircraft were A-7 Corsair fighter bombers. The pilots --who served in the 110th Battle Squadron-- were 1st Lt Marios Drosopoulos, married, and Konst. Karalis, both of whom were killed. The two aircraft were engaged in practice training crashed into the mountain slope while flying very low to avoid being spotted by radar. There was thick fog over the entire Agrafa region at noon yesterday. Air Force experts have already begun the investigation to determine the conditions and the causes of the accident. Karalis was from Elateia, Larisa, while Drosopoulos was from Fokis. /Text/  
/Athens I KATHIMERINI in Greek 12 Sep 85 p 1/ 5671

CSO: 3521/339

MILITARY

NETHERLANDS

# ROYAL MILITARY ACADEMY STRESSES MANAGEMENT COURSES

Amsterdam DE TELEGRAAF in Dutch 10 Aug 85 p 53

[Report by Menzo Willems: "Officer Must Also Become Manager"]

[Text] Breda, Saturday--At the Royal Military Academy (KMA) in Breda, starting with the academic year 1985-86, in addition to military training, management skills will also occupy a prominent place. From the middle of August onward, the emphasis in the 4-year training program at the almost 160-year old institution will be on "Military Business Management."

The KMA decided on this drastic restructuring in training because, anno 1985, the Dutch armed forces are a modern business which must be headed by career officers who are not only skilled soldiers but also skilled managers.

In his office in the picturesque Castle of Breda, already since 1828 the proud bulwark of the KMA, Colonel D van Dijk, the chairman of the Project Group for Training Modernization, explains: "Through the modernized training the cadets are better prepared for what they will encounter in practice in their future army unit."

## Emphasis

Until now, we put most of the emphasis on the military training, and therefore it happened occasionally that a brand-new career officer had no idea of how to deal with the managerial aspect of his work. Thanks to the modified study setup, this can hardly happen any more."

In addition to marching, saluting, firing and stalking, the candidate army and air force officers get sociology, psychology, economics, technical sciences, law and administrative skills--in short, those subjects which are of importance for conducting the military business. In addition, in their second, third and fourth year of study they already go for a few months to their future army unit in order to gain experience.

Van Dijk: "In this manner a link with practice is established early. That did not exist previously because the cadets didn't used to go through a practical training period in their later arms- or service unit until after their regular training."

The party does not want to forcefully impose the desired work week shortening. In accordance with the express desire of the union movement and with its own congress's decision, the PvdA says that progress in the shortening of the work week must be promoted through agreements at the central level. Within those agreements, there must be room for various interpretations on the form, tempo and scope of the shortening of the work week.

The PvdA wants to promote as much re-employment as possible by means of the tax-, premium- and subsidy instrument. Therefore the party, justly, is thinking of training, because one of the main causes of the low rate of re-employment is that, among those seeking work, it is not so easy to find the right people for the jobs opening up.

#### Income Policy

The cornerstone of every socialist program is income policy. It is remarkable that the PvdA wants to preserve the purchasing power of incomes up to one and one half the typical income, or 65,000 guilders. With that, the socialists align themselves with the VVD, who during the debate on the Spring Note advocated a tax decrease especially for those in the middle-income bracket. One difference is that the liberals insisted on the freezing of the lowest incomes and benefits.

The socialists want to give priority to improving the purchasing power of the lowest income groups "if the economic development demonstrates an adequate growth." In case of a disappointing development, the PvdA in any event wants to preserve the spending potential of households with only one income (and how are those different from the real minimum incomes?).

The socialists also want to restore the coupling of benefits to wages. The Lubbers cabinet has never revoked the Law on Adjustment Mechanisms (WAM) on which this coupling was based, but in fact made it inoperative by freezing and cutting the minimum wage and the benefits.

In order to achieve its employment opportunity goals, the PvdA wants to make production more labor-intensive. To that effect it wants to decrease the subsidies on capital investments. The most important means of stimulating growth is an investment program of 8 billion guilders which is especially aimed at urban renewal, energy economization and improvement of the infrastructure.

#### Feasible?

The big question is how all this is to be paid for. Whether it is feasible we don't know, because the Central Planning Bureau is not ready yet with its new predictions for the period 1986-1990.

The PvdA starts out from a growth of 2 percent. That is not exceedingly optimistic, in any event not a figure with which you can imagine being rich. In the packet a cutback program is included of a total of 7.5 billion guilders. The cutbacks must primarily come from defense expenditures and from

efficiency improvements. Two billion guilders might be saved on the payment of retirement premiums in the collective sector. For the rest, it is rather unclear how the party will achieve its savings.

An important part of the program must be financed at the expense of industry, which must count on 5.5 billion guilders less in tax decreases and support measures. No wonder that the employers organization VNO [Federation of Netherlands Enterprises] and NCW [Dutch Christian Employers Union] have no interest at all in a cabinet with the PvdA.

It is too easy, however, to dismiss the PvdA program as "not realistic enough," as De Vries and Bukman did. All things considered, in essential matters the program does not deviate very much from the program with which the CDA will enter the elections. Both parties, for example take a 2 percent growth as their point of departure. Also the Christian Democrats want to strive toward a further shortening of the work week and utilize the tax-and premium policy to accomplish that. The CDA wants to preserve wages, civil servants' salaries and social benefits at the existing level of purchasing power. If the economic growth should be disappointing, then the CDA also wants to preserve the purchasing power of the real minimum incomes.

An essential difference is in the government financing. The CDA wants to reduce the collective expenditures annually by at least one percent of the national income. It wants to decrease the financing deficit of the government by 1/2 to at most 1 percent of the national income. The PvdA does not go beyond 1/2 percent.

Whereas the CDA has set its total cutback goal at 11 billion guilders, the PvdA does not go over 7.5 billion. Naturally another point of conflict is the fact that the socialists want to undo the change of the social security system and return the benefit levels to 75 percent.

The socialists' program fits in better with the objectives of the FNV and CNV unions, who indeed have already expressed their positive view on it.

In the PvdA program we no longer see any blueprints for a "workable society" an idea still dear to the socialists, as Den Uyl said at the presentation. The PvdA does, however, attach considerable importance to the debate with management and labor in that debate a "multi-annual program" must be set up which is "indicative" for the market sector and "sets a standard" for the collective sector.

Here we recognize the idea of a social covenant suggested in the report "Toward a Workable Future." They'll never get out of the habit, those socialists. Whether one can still speak of a planned economy or not, one can certainly speak of a broad social accord in which agreements are made for the sake of coordinating the economic recovery policy, investments, work conditions policy and the tempo of shortening the work week.

8700

CSO: 3614/126

MILITARY

PORTUGAL

## ACCIDENT RATE OF CORSAIR A-7 FIGHTERS VIEWED

### Lemos Ferreira Attacked

Lisbon TAL & QUAL in Portuguese 2 Aug 85 p 16

/Article by Rocha Vieira: "Life Insurance"/

/Text/ When TAL & QUAL some months ago had the courage to criticize Gen Lemos Ferreira, the person primarily responsible for the purchase of 50 Corsair A-7 fighter planes for the Portuguese Air Force, the current chief of the Armed Forces General Staff (CEMGFA) pounded on the table, summoned the press, praised the fighters highly, insulted the reporter who called them "junk" in these pages and sued our paper, among others.

Since then, much water has flowed under the bridge, or rather, many Corsairs have fallen into the water, as if the gods were conspiring against the general. To the point that we greatly fear that there may not be a single serviceable Corsair left when Lemos Ferreira's complaint is heard by the court.

First there was the crash of a Corsair A-7 into the sea off Vieira de Leiria. The body of the pilot, one of the most experienced men in the air force, was never found but there were those who immediately hastened to attribute the cause of the accident to "human error" lest the press resurrect the Corsair "scandal" once again...An investigation was announced but so far the public has still not had access to any conclusions.

Some time later, the Corsairs made news once again: two of the "excellent" planes purchased by Lemos Ferreira collided in the air and there went another several million dollars. This time, the pilots ejected in time and survived.

An American test pilot was not so lucky, however. He was testing a Corsair which was allegedly destined for Portugal and already bore our colors when the "fighter" crashed to the ground, like the others. The pilot parachuted from the plane but was drowned in a lake. Strangely enough, for 3 months nobody knew anything about this. Both the Americans and the Portuguese Air Force kept silent about this latest disaster, obviously so that Gen Lemos Ferreira's poor Corsairs would not again be compared to "junk"...



But as long as there is a Corsair left, there will not be any lack of obituaries. And it is exactly to avoid them that the U.S. High Command last week decided to remove from service 90 Corsair A-7E planes, a more recent and more highly developed model than the Portuguese Air Force A-7's. According to reports published yesterday, the Americans discovered that their "fighters" have "defects in the turbines"--deficiencies that have already caused eight crashes over there in the last 4 months.

In view of that and in view of the proverbial obstinacy of Lemos Ferreira, TAL & QUAL suggests that the Portuguese Air Force pilots take out adequate life insurance.

#### Corsairs to Remain in Service

Lisbon A TARDE in Portuguese 2 Aug 85 p 12

/Text/ The Corsair A-7P's of the Portuguese Air Force will not be affected by the decision of the U.S. Navy to ground 90 of its Corsairs, a Portuguese Air Force General Staff informant revealed.

The informant emphasized that the engines of the A-7P's have turbines of a different type from those used in the U.S. Navy's A-7E, in which a manufacturing defect has now been found. "The turbines of our Corsairs were manufactured by a different company and have different technical characteristics, thus there are no reasons to believe that the problem that has arisen in the 90 American planes of the A-7E type, incidentally a very modern plane, may affect our A-7P's," said the spokesman of the Air Force Chief of Staff (CEMFA).

The U.S. Navy, which has a total of 310 Corsair planes, grounded only 90, all of them of the A-7E series equipped with turbines from the Allison Gas Turbine factory, a division of General Motors.

The CEMFA informant added that all of the Corsairs purchased by the Portuguese Air Force are operational after having overcome some initial problems of lack of spare parts.

Of the 50 Corsairs purchased by the air force, 20 are already in service and three have already crashed but the investigations underway have not yet made it possible to conclude definitely if the disasters were due to material defects or human error.

8711  
CSO: 3542/243

MILITARY

PORTUGAL

# ARMY REPORTEDLY RELEASES CONSCRIPTS FOR LACK OF FUNDS

Lisbon TAL & QUAL in Portuguese 2 Aug 85 pp 8,9

/Excerpt/ The army has contrived a simple and effective method for reducing expenses and clearing the barracks: getting rid of soldiers and militiamen. The solution is so simple that it smacks of a "poisoned gift," and has stunned the 30,000 conscientious objectors who are drying the raisin-grapes of Algarve to escape the green uniform.

The not-always-happy beneficiaries of the exemption from compulsory military service have been potential militia sergeants and officers who are no longer even summoned to present themselves in the barracks, and draftees who as soon as they present themselves are immediately sent back home.

In the first call-up of this year in April, 1,700 draftees were exempted from service, part of them in the "head of household" category. Two weeks from now, in the August call-up, another 1,000 recruits of the General Contingent, "fit for all service," will also be sent to the territorial reserve, which they will leave only in case of war or "national emergency."

This process of mass "discharge" which the military officials have been executing by invoking "operational imperatives" is nothing more than the result of the targets laid down in the Armed Forces Budget for 1985, TAL & QUAL was told by an officer connected with army recruiting, the branch that has used the "discharge" formula most avidly.

After making their calculations, the military arrived at the conclusion that they do not have the money to feed, clothe, lodge and arm the 27,000 young men that should be brought into the service in the course of this year. So they decided to follow to the letter the policy adopted by companies in a difficult economic situation: to dismiss (worse still, to reject a posteriori) personnel who had already passed the tests and had been regularly contracted--a total of 3,500 recruits, equivalent to 12 percent of the call-up anticipated for the current year.

Contacted by the TAL & QUAL reporters, a spokesman for the Army General Staff admitted that in fact thousands of youths are being "sent home" and integrated into the more-than-theoretical "territorial troops" whose

"reserve" activities are activated whenever the Kingdom of Castille invades Guimaraes...But that source refused to attribute the discharge practice to "lack of money." "What is happening is that we only work with the personnel we need and that are provided for," he declared. "Since it was stipulated that this year's army strength should be 32,000 men, the anticipated call-up will naturally be around 27,000."

How does one explain then that up to the end of 1985, more than 10 percent of the boys called to the colors returned to their families, many of them without donning a uniform? The Army General Staff has an official version, which its spokesman related to our reporters. "Boys in an irregular situation, such as the obligated and unruly, have priority over the others provided that they present themselves in the barracks. When that happens, they go ahead of the new draftees, who are thus considered surplus and sent to join the territorial reserve."

But an army recruiting service source told TAL & QUAL that the system has proved to be maladjusted both from the viewpoint of the army and that of the youths themselves. The process followed contains the explanation within itself: once the notices are published with the anticipated personnel requirements, the youths are forced to present themselves in the barracks to which they are directed. There, if there is a surplus of recruits, the officers in charge begin by sending home the "heads of household" and others in a similar situation. If it is still necessary to discharge additional personnel, a mechanical drawing of lots is organized which randomly issues the names of those "awarded" advance discharge papers.

"That type of lottery," stressed our source, who said that he "expressed the feelings of many permanent staff officers," is not very intelligent and is only disadvantageous to the armed forces." He explained: "That mechanical drawing of numbers is random and does not take account of the profile of the boys. If it is necessary to discharge some, then let those who in fact would have little to offer to the army be discharged and keep in the service those whose qualifications or skills would be considered useful." According to that informant, "many youths are sent home before they have time to familiarize themselves with the barracks: they unpack their bags, pack them again and catch the return train home..."

8711

CSO: 3542/243

ECONOMIC

EUROPEAN AFFAIRS

## MASSIVE RESTRUCTURING NEEDED TO CURE EC AGRICULTURAL ILLS

Berlin WOCHENBERICHT DES DEUTSCHEN INSTITUTS FUER WIRTSCHAFTSFORSCHUNG in  
German 8 Aug 85 pp 362-365

[Text] Obviously it continues to be exceedingly difficult to reorient the EC agricultural policy so that it emerges from its permanent crisis. The central problem remains the surplus situation. It has been mounting. On the one hand, this is expressed in the supply balances: EC self-sufficiency occurred for the first time in 1983 even taking into account the extensive imports of feed, according to the latest calculations of the EC Statistical Office.<sup>1</sup> On the other hand, the surplus situation could also be gauged by its high costs. Export subsidies, storage costs and programs that are supposed to help stimulate consumption within EC have been absorbing most EC income for years.

The serious EC budget problems in 1983 and 1984 were basically attributable to a misguided agricultural policy. In the budgets for 1984 and the present fiscal year, expenditures for agricultural market regulations and the agricultural structure with 68 and 70 percent, respectively, claim more than two-thirds of the estimated expenditures.

In the 1986 budget estimates, too, the agricultural expenditures with approximately 21 billion ECU are by far the biggest item even though their share with about 60 percent has been clearly estimated lower than in the previous years. Structural improvements in EC agriculture are jointly financed with only 0.9 billion ECU. Within the market regulation expenditures, the expenditures for milk and grain, as in past years, are predominant, the two product groups in which partly severe market restrictions have been introduced.

The intention of the Commission to permit an annual increase of only 2.4 percent in the agricultural part of the budget starting in 1986 is to be welcomed; however, the consequences of the expansion of the EC have not yet been taken into consideration. The Council has also committed itself to greater expenditure discipline in the form of future preliminary decisions of the budget limit concerned. However, from past experience skepticism is in order that this budget discipline, which could lead to medium-term financial planning, will be adhered to in the long run. Therefore it is to be feared that the additional income that will be available starting in 1986 (increase in the EC share in the basis of assessment of the value-added tax from 1 percent to a maximum of 1.4 percent) will once again be largely claimed for agriculture.

## High Indirect Costs

Moreover, the excessive agricultural production causes considerable outside costs which--different from the burden on the budget--cannot be quantified, but which nevertheless increasingly determine the difficulties of the existing agricultural policy. These include, to mention only the most important ones,

- the harmful effects on the environment and
- the troublesome effects on the world markets.

Crop production and animal production now considerably contribute to ecological pollution. Before agriculture embarked on the phase of most intensive crop and animal production, it remained--not always consciously but supported by the experience of generations--within the natural general conditions. Care and maintenance of the bases of existence included, e.g., tolerating "food competition" on the land. The modern production methods, which tend to be oriented towards single-crop farming, however, make use now of all possibilities to destroy the competitors weed and animal "pests" with the help of chemistry; to drive them out so completely that new species of insects and--via the foodchain--higher species of animals are dying out or are threatened with extinction.<sup>2</sup>

In the fight for market shares, the EC is hardly less aggressive than its principal competitor, the United States. While in the 70's the spheres of interest of the two exporters were still clearly delimited, since about 1980 they are trying to oust one another from "traditional" markets. In the past both regions have undoubtedly made big mistakes which initiated the present trade-policy disputes on the agricultural markets. The temporary U.S. export restrictions against the USSR and Poland have increasingly channeled the [U.S.] grain exports into regions of West European sales. EC, on its part, has involved itself in the traditional U.S. sales regions (Central America) with heavily subsidized exports.

In general, EC has hesitated too long to lower the export subsidies and to better adjust the agricultural price level to the world market price level. Thus the confrontation with the United States was unavoidable.

## Divergent Income Developments in EC Agriculture

Nevertheless EC agricultural policy has not achieved its principal goal--safeguarding agricultural income--for many small and medium enterprises and numerous regions. Unfortunately only inadequate indicators continue to be available for a comparison of agricultural income between periods and regions.<sup>3</sup> The most usual index is the real net product per worker. A shortcoming of this indicator consists in the fact that only the agricultural income is taken into consideration, even though considerable parts of the family income are derived from external gainful employment. This share is especially high in the FRG. Almost half of the owners of agricultural enterprises receive income from outside agriculture.

According to calculations of the EC Statistical Office, the real net product per worker from 1973 to 1984 has remained relatively stable for the EC as a whole.



However, if the development is followed in the individual member states, strong drifting apart can be noted. The North-South difference in the development of agricultural income is unmistakable. Denmark leads by a wide margin, followed by Ireland and the Benelux countries. Italy and the FRG provide the most unfavorable development,<sup>4</sup> especially in the average of the past 5 years.

It remains to be seen what the effects of the new market restrictions will be on income distribution. The assignment of milk production quotas for individual enterprises, which has been applied since 1 April 1984, the start of the 1984/1985 milk marketing year, in the EC to limit milk production seems to have taken hold according to initial statistical information. The aim was to gradually reduce milk production from its high level and to bring it down closer to demand. Milk deliveries to the dairies have indeed declined even though the overall quantity of about 100 million tons aimed for is still fully 20 percent above the domestic demand.<sup>5</sup> In the 1984-85 milk marketing year, milk deliveries--with nationally very differing rates of change--compared with the previous year have declined 5.1 million tons to 99.4 million tons. Especially the FRG (-7.3 percent), Great Britain (-7.3 percent), Denmark (-6.5 percent) and the Netherlands (-6.1 percent) have contributed to this 5 percent reduction. France's farmers, who within the EC deliver more than a quarter of the milk to the dairies, however, have reduced their deliveries by only 2.7 percent.

To achieve the 1985/86 target figure, total milk delivery must be reduced by another 1.2 percent. Taking into consideration a certain quota equalization for Ireland, Northern Ireland, Luxembourg and Italy, a total quantity of 98.6 million tons is the target. Production of butter and skimmed milk powder has also clearly declined. In the case of skimmed milk powder, the effect of this reduction--together with the stepped-up third country exports during the past few months--has been comparatively low inventories (end of June: 0.38 million tons as compared to one million tons a year before). On the other hand, the effect of the slight domestic and foreign demand for butter has been an increase in the inventories to over one million tons despite a reduction in production. Accordingly, the milk marketing policy is unable--in spite of the restrictive quota regulation on the plant level--to achieve the market balance in the case of the most expensive surplus products butter and skimmed milk powder. Thus the overall quantity ought to be further reduced to cut back the risks and costs of export dependence.

The second product group that exhibits considerable need for agricultural policy action is grain. For a few years the commission has been pursuing a cautious price policy coupled with a guaranteed threshold regulation. In consensus with all other member states it was agreed in 1984 that the intervention prices are to be lowered if the set guaranteed quantity of grain production was exceeded in the preceding year.

The FRG government refused to comply with this very agreement when at first it prevented with its veto the reduction of the intervention prices by 1.8 percent proposed by the commission and accepted by all member states.<sup>6</sup>

Grain production presumably has again exceeded the guarantee threshold in the 1984/85 crop year. Assuming normal weather conditions, an above-average grain

harvest can be expected for the crop year that has just started. In this situation clear price signals are indispensable. What was to be feared seems to emerge: The feed areas of the quota-regulated milk production are partly used for other areas--such as grain and rape cultivation--and here increase the pressure on the markets.

Agriculture--at least in the FRG--appears to have accepted the introduction of production quotas for milk. The demand for further state intervention, by which the compulsion for adaptation to the market requirements is to be circumvented, can be clearly heard: To get rid of the grain surpluses without price reduction, the farmers association and the ministry of agriculture proposed compulsory addition [of grain] to the feed mixtures. According to official information, the sought "minimum shares" in concentrated feed could be around 30 percent. With this quota in the FRG alone a forced additional consumption by agriculture of an estimated 3 million tons of grain could be achieved. However, the compulsory addition raises manifold problems.

#### National Egoisms Continue Undiminished

Classification of a 1.8-percent grain price reduction as a vital question for the FRG, as the FRG minister of agriculture presents it, has triggered a lively discussion on the possible trend of the integration policy intentions of the FRG government with all of its pro-European lip service. With this very step--it coincided with the signing of the EC membership treaties with Spain and Portugal--it became evident that national egoisms have erupted in the FRG, too. It should be recalled here that in the early 60's, too, it was the FRG that had pushed through the German interests in the determination of the grain price level and thus had caused the entire agricultural price level, including the tariff protection, to be fixed too high.

Moreover, in the meantime it has become a principle that the common agricultural policy is always circumvented if the decisions run counter to one's own ideas. In other words: whatever cannot be gotten in Brussels, is balanced in the agricultural field by national measures and subsidies. Latest example in the EC agricultural policy are the tax concessions for German agriculture which are granted to the year 1991 in the amount of DM 22 billion for the reduction of the currency conversion compensation.

#### Raw Materials That Grow Again--A Solution?

The dilemma between maximum agricultural production and the limits of ecological pollution increasingly enters the awareness of the public. Agriculture believes it has found the "deus ex machina" with the idea of employing agricultural land more widely for the production of industrial raw materials from the food and nonfood area (biological raw materials). It expects in the first place the solution of the surplus problem with simultaneous guaranteed income from a change in the production structure in the direction of agricultural energy carriers. In the background of these considerations is the hope that nothing will change in the agricultural price and market policy, so that--while maintaining the price guarantees and nearly equally high subsidies for the entire production--a painless substitution process from food production to the production of chemical raw materials can be accomplished. In the discussion to date

advocates and opponents of a rapid introduction of biological raw materials are facing one another. While from the side close to agriculture the prospects are presented rather optimistically, the skeptics point to numerous unsolved questions of a use profitable under macroeconomic aspects.

A central problem are the farm marketing codes with which biological raw materials must successfully compete if their production is to take place in the large area cultivation required for industrial processing. For example, even now the sugar marketing regulation prevents the surplus sugar ("C-sugar"), which must be exported at world market terms as is known, from being used in the chemical industry at the low world market prices.

A further problem are the energy prices; almost all preliminary studies on the introduction of bioethanol as a substitute for gasoline start from the assumption of strongly rising oil prices. The higher the oil price is estimated to be, the easier it is for the bioalcohol production to enter the zone of profitability. This competitive constellation is unrealistic for the foreseeable future: At the present time when OPEC is completely divided over future price and production policies and the price trend--apart from dollar fluctuations--has been pointing downward since 1981,<sup>7</sup> the biological raw materials, as far as they are to serve alcohol production, have few competitive chances. It must also be taken into consideration that under Central European climatic conditions, photosynthesis exhibits considerably lower productivity than, e.g., in tropical and subtropical zones. Therefore comparisons with Brazil and the United States cannot easily be made.

In addition, in the energy field for one thing long-term economizing trends have prevailed and on the other hand research and development have increasingly had to resort to forms of decentralized energy production. For these partial fields there exist considerable potentials which at the same time can be developed with the intensive research in the biomass field. Thus here, too, competition develops for biomass.

Beyond the questions of the competitiveness for bioenergy, which must be regarded as very skeptical from the present view, unsolved problems arise in the narrower agricultural field. As an example it should only be mentioned that the known problems in the cultivation of monocultures become even more pronounced if maximum yields must be wrested from crops, soil and ground water for profitable industrial use. Only by embedding the "new" agricultural products in the ecological context it can be avoided that already committed mistakes are repeated or even intensified.

If this embedding into the natural cyclical processes, which are especially necessary for biomass production, does not take place, here, too, restrictions on use will be unavoidable. The representation of German agriculture has already explained its position: From the understanding that "the natural resource soil...must be handled more carefully in the future," among other things the demand is made that the farmers be compensated for this careful handling--e.g. in the form of restrictions on use. A new potential for subsidies and regulation presents itself here unless there is a considerable improvement of the chances for biomass cultivation.

## Structural Change Indispensable

In the future development of the agricultural policy, the EC Commission has been guided essentially by two strategies: a policy line with more pronounced state intervention in the form of production quotas and a policy of market economy signals in the form of cautious price increases, in part price reductions.

The latest experiences with the setting of producer prices for the surplus product grain show that not all member states are prepared to follow the market economy line even though they may pursue the market economy concept otherwise. From efficiency aspects it would be a mistake if the commission would let itself be pushed in the direction of the state intervention instruments. The market signals must be strengthened instead. Therefore, in the long run there is no way to bypass the increasing structural change in agriculture. It is true the demographic development in many EC countries alone--without having to conduct a displacement policy--has contributed to the clear reduction of the manpower and the number of agricultural entrepreneurs. This process must even be accelerated. Not all member states have such favorable old-age insurance regulations for farmers as does the FRG. Therefore the migration should be financially supported EC-wide. By stronger inclusion of the European Social Fund in this component of an active agricultural policy, e.g., by co-financing of pensions for closing down enterprises, early retirement, income transfers tied to individuals in the case of the release of land for ecological rehabilitation, the adjustment pressure could be made socially bearable.

However, it should also be demanded that direct promotion of investments in production fields that produce surpluses (e.g., cowsheds and hogpens) should generally cease and that reduced-rate agricultural credits also not lead to further misinvestments.

How laborious a process it is to point the agricultural policy in a direction more oriented on market economy principles and at the same time to include the difficult situation of the farmers disadvantaged by the agricultural structure is shown even by the discussions ahead of the presentation of the "Green Book" in mid-July with which the EC Commission would like to provide new impetus to the agricultural policy. It would be welcomed if the proposals for a price policy more in conformance with the market and for a strengthening of social and structural policy instruments could prevail. Especially the increased release of resources from agricultural production should no longer be taboo.

## FOOTNOTES

1. Cf. AGRA-EUROPE, No. 27/85 of 8 Jul 85
2. But not only the environmental pollution because of intensive agricultural production (liquid manure problem in the regions of intensive cattle raising, washing out of nitrate into the ground water in grassland areas, reduction in the number of species through monocultures and use of chemicals) have greatly increased. Agriculture

itself has increasingly become a victim of the pollutant emissions from industry and transportation. Dying of forests that also affects agriculture is to be primarily mentioned here.

3. These problems have been dealt with in detail in earlier issues of WOCHENBERICHT. The reservations advanced there against certain income indicators continue to apply. Cf.: "Are We Facing an Agricultural Policy Reorientation in the EC?" Author: Peter Hrubesch. In: WOCHENBERICHT DES DIW, No. 11/1984.
4. EUROSTAT: "Development of the Agricultural Income Indicators, 1973-1984. Luxembourg, 20 Feb 85.
5. Cf. Central Market and Price Reporting Office for Products of Agriculture, Forestry and the Food Industry GmbH: EUROPAMARKT--MILCH, BUTTER, KAESE, Vol 21, No. 5/6 of 1 Jul 85, p 6.
6. As is known, thereupon the Commission had prevented by administrative act a condition without any pricing decision and the uncertainty in the grain trade connected therewith by a 1.8 percent price reduction. Since the Council of Ministers has been unable to agree on a common grain price by mid-July, the commission regulation will be maintained for the 1985/86 grain trade year. The German farmers have been promised a partial equalization for the 1.8 percent price reduction.
7. Cf. "Prospects of the Oil Price Development," Author: Manfred Horn. In: WOCHENBERICHT DES DIW, No. 28/1985.
8. "Strategy Paper of the German Farmers Association." AGRA EUROPE, No. 27/85, special supplement, p 5.

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ECONOMIC

FINLAND

#### BRIEFS

EXPORTERS MERGE USSR EFFORT--The firms Yleinen Insinööri- ja Koneurakointi Oy [General Engineering Operations] (YIT) and Hollming Oy are establishing joint representation in Moscow. The firms have already obtained an official establishment license from the Soviet Ministry of Foreign Trade. The firms are establishing joint representation so that they will not be competing against each other in their natural areas of activity. Tapani Pekkarinen, assistant director of YIT, has been selected as the manager of the joint representation operation. Both firms have been active in exporting to the Soviet Union. The Hollming Oy shipyard has built 220 special-type vessels for the Soviet Union, and has concentrated on planning and building research ships adapted for Arctic conditions, among other things. YIT has been engaged in independent project exporting to the Soviet since the early 1970s. The firms currently are involved in projects located in Estonia and other places, such as Togliatti, Leningrad, Vyborg and Moscow. Right now the YIT firm's work force in the Soviet Union has projects still to be completed amounting to over 250 million markkas. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 10 Sep 85 p 25]

CSO: 3617/68

ECONOMIC

GREECE

# RADICAL REDUCTION OF MINISTRIES' BUDGETS FORESEEN

Athens ETHNOS in Greek 26 Aug 85 p 21

/Text/ The Ministry of Finance will apply the "knife" to the appropriations being sought by various ministries for 1986. This is so because most of the ministries are asking that very large appropriations be included in the budget that the economy cannot withstand.

The above was mentioned by officials who are drafting the budget. They point out that despite orders from the Ministry of Finance to hold back expenditures, many of the ministries are proposing the approval of appropriations somewhat greater than the appropriated last year.

In almost all the budget plans that have reached the Ministry of Finance up to now from the various ministries, expenditures are "inflated."

According to our information, the Ministry of Finance is not going to agree to expenditures that surpass 15 percent over the 1985 expenditures.

Overages in expenditures will be approved only if they are completely justified and if they are in line with more general government goals (as, for example, expenditures for health and forest protection).

In this regard, officials point out that ministries and nemes have been advised since the first part of June that they should take into consideration cuts in expenditures in the budgets they were going to submit. The ministry circular stressed that no expenditure must be considered as a given fact. The ministry also warns that "the unacceptable practice of an intentional increase of certain credits, that provides for their use during the completion of the budget, as a secret reserve, for the covering of other needless and unforeseen needs, should not occur."

The cut in expenditures will begin now in coordination with the various ministries so that the drafting of the budget will enter its essential phase in September. Moreover, the rest of the ministries are sending in their budget proposals today.

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CSO: 3521/338

ECONOMIC

GREECE

DETAILS ON TOTAL INVESTMENTS BY SECTOR PROVIDED

Athens I KATHIMERINI in Greek 6 Sep 85 p 15

/Text/ From up-to-date available data, it is revealed that 30 percent of the investments that had been approved since 1982 have been used up or are in their final phase of being used up. Given the fact that a period of about 18 months elapses between the time an investment comes under Law 1262/82 and the beginning of the disbursement, it is expected that about 60 percent of the investments that have come under the law will begin to be implemented in the next few months.

The above was reported by Deputy Minister of National Economy Pan. Roumeliotis who added the following: "Investments in the processing sector have the highest percentage of implementation (32 percent, i.e. used up or in the process of being used up) as well as the remaining services (29 percent) and finally investments in the primary economy sector.

"As for the magnitude of the investments that have been used up or are in the process of being used up, 39 percent of the cases involve investments of up to 400 million drachmas." Finally, Mr Roumeliotis provided the following statistics on the course of investments this year.

- 1) During the 8-month period, January-August 1985, investments amounting to 43.4 billion drachmas were approved on the basis of Law 1262/82. The increase during the 8-month period of 1985 compared to the same period in 1984 was 13 percent. The primary economy sector took up 12.4 percent of the investments, the processing sector 54 percent, while tourism and other services 33.6 percent.
- 2) Significant changes in the geographic distribution of investments included their relative increase in Thessalia, the Aegean Islands and Crete.
- 3) As for investments for cooperatives, municipalities and communities, they constituted 14.1 percent of the total approved during the first 8 months of 1985, while it is expected that these sectors will absorb 22 percent of the appropriations.
- 4) In order to provide a picture of the development of investment distribution in the processing sector, investment data in the amount of 400 million drachmas were employed, an amount that constitutes about 85 percent of the overall investments.

Six sectors take up 70 percent of the investments: food, woven goods, clothing and shoe apparel, non-ore products, ore products (except for machinery and transport materiel), electric equipment and apparatus. Of these sectors, there has been a rise seen in the woven goods and clothing and shoe apparel sectors. A long-term upward trend is also noted in rubber and plastic goods as well as in basic metallurgical industries. No clear trend is apparent in the remaining sectors.

Finally, as for investments of over 400 million drachmas, existing data show a trend toward their concentration in transport means construction, final metal products (except machinery and transport materiel) and petroleum and coal products.

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ECONOMIC

ICELAND

# NATIONAL ECONOMIC INSTITUTE FORESEES TWO PERCENT GROWTH

Reykjavik MORGUNBLADID in Icelandic 16 Aug 85 p 12

[Article: "National Economic Institute: Economic Growth Will Be About 2 Percent in 1985--Inflation About 30 Percent"]

[Text] Economic growth, measured as a change in gross domestic production from one year to the next, will be 2 percent this year, which is 1 percentage point less than last year. The growth is, however, somewhat higher than was estimated in the 1985 economic forecast which was published in a "Summary of the National Economy" in April of this year. The National Economic Institute has reevaluated this estimate in view of changed wage agreements and in light of developments during the first part of the year. The inflation during the year will be 30 percent according to the conclusions of the National Economic Institute; previously, 20 percent inflation had been estimated from the beginning to the end of the year.

The national production and the national income grow less than the domestic production because of increasing payments of interest on foreign debts and worsening credit terms, or about 1.5 percent. The difference between the domestic production and national production mainly involves interest payments on foreign credit which are subtracted from the national production.

In a news release from the National Economic Institute it is stated that increasing activities in the national economy this year are primarily due to increased private consumption and it is estimated that it will increase by 4 percent and not 1 percent as previously estimated. The most significant reason for increased private consumption is higher purchasing power of disposable income during the year in the wake of newly negotiated wage agreements. In an older economic forecast it was estimated that the purchasing power this year would be very little changed from the previous year. The contracts that were negotiated in June and July, however, include almost a 15 percent greater increase in wage rates than previous agreements. It is likely that the purchasing power of disposable income will be 3-4 percent higher than last year when wage rates are taken into account.



Counterbalancing the increase in private consumption are smaller increases in investments than the older forecast estimated. Investments will increase by 1/2 percent instead of 2 percent. Expenses for consumption and investments are estimated to increase by slightly over 2.5 percent this year but not by 1 percent as the April forecast estimated.

The National Economic Institute forecast is based on the fact, among other things, that all allowed fish quotas will be caught, or in fact slightly more. It is estimated that the export production will increase by 2.5-3 percent this current year which is 1/2 a percentage point less than the older forecast. All this difference can be traced to decreased aluminum production. Also, it is not considered likely that the export will exceed the forecast significantly. In the report from the National Economic Institute it is stated that increased activities beyond what has been estimated can only take place if there is increased domestic expansion which brings increased trade deficit and foreign borrowing and thereby increases the credit burden and the interest burden in the future.

It can be assumed that the credit terms will be slightly worse than last year, or 1/4-1/2 percent. It had been estimated previously that they would remain unchanged. The main reason that the older forecast has not proven correct is the decrease in the exchange rate of the dollar against other currencies. But countering that is an increase in the price of frozen marine products on the U.S. market by 2 percent since the turn of the year. In the National Economic Institute report it is stated that the worsening terms of trade can, for the most part, be linked to the lower price of aluminum and ferrosilicone.

After the dollar started to decline on the international market, the exchange rate of the Icelandic krona against the dollar has been kept unchanged. This has, among other things, caused the average exchange rate from the beginning of the year to the beginning of August to decrease by 8.5 percent based on the national economic indicator. There is no doubt that the rising exchange rate of the dollar from the middle of 1980 into this current year has been a considerable financial blow for Iceland, simply because how large a portion of the export is sold in dollars and the import is mostly paid for in other foreign currencies. With nothing else changed it is therefore a cause for concern if the dollar price goes down very suddenly. It is pointed out in the National Economic Institute report that the price of the dollar in Icelandic kronur has almost remained the same since the beginning of the year while the production cost has increased by 15 percent. At the same time, the price of these products in dollars has only increased by 2 percent.

The average exchange rate of the Icelandic krona during the middle of the year was 20 percent lower than it was on the average last year, and the price of foreign currency is therefore 25 percent higher overall. Forecasts of economic developments this year are based on the expectations that the average exchange rate of the krona will be rather stable during the latter part of the year.

As was mentioned above, it is estimated that the domestic production will increase by 2.5 percent. Agricultural production will be similar this year to what it was last year. A 3-4 percent increase in production is estimated

in the fisheries sector which is considerably less than the previous year. It is obvious that the aluminum and ferrosilicone production will decrease but the export of other industrial goods could increase up to 15 percent. The National Economic Institute estimates a reduction in the building industry.

In the wake of increased demand for consumer goods, 3-4 percent increase in business can be expected; the same applies to various other types of services other than public services which will not increase by more than 1 percent at a fixed price. A 3-4 percent increase is estimated to take place in the communication sector.

During the first part of the year, registered unemployment was 1.2 percent of the estimated work force. So far this year, registered unemployment is less than the past 2 years combined. It is pointed out in the National Economic Institute report that figures on unemployment do in no way demonstrate the true picture of the demand for manpower. In a study which the institute made in cooperation with the Office of Labor Affairs of the Ministry of Social Affairs and covered 800 companies, it came to light that there were 3,000 unfilled positions at the end of March. It is estimated that registered unemployment will be about 1 percent of the total work force.

The development of state finances during the first half of the year was considerably more unfavorable than during the same period last year. Collected treasury revenue amounted to about 12 billion kronur and the expenses amounted to 13.8 billion kronur.

The operational deficit was therefore about 1.8 billion kronur, or about 15 percent of the revenue. During the same period last year the deficit was 2.4 percent of the revenue. The state expenses during the period in question have increased by 41 percent and revenue by 26 percent.

The most recent estimates on the condition of the treasury during 1985 indicate that it will be worse than the fiscal budget estimated, which, among other things, can be traced to the increase in wages and related expenses. The development during the first half of the year indicates that the state treasury deficit will during the year lead to money expansion beyond what had been estimated.

In the report from the National Economic Institute there are many indications that the development of money matters has been brought closer to balance during the first part of this year. The increase in loans from credit institutions has decreased. Total deposits have increased considerably beyond loans, or by 19.5 percent, and by 28 percent if estimated interest is added.

Although considerable progress has been made toward balance in the money market recently, the control of money affairs will be extremely precarious in the near future, and the development of the state treasury affairs will be a deciding factor.

The National Economic Institute estimate is that the cost of living index will increase by 31 percent on the average from what it was last year but the

previous estimate was 28 percent. The wage agreements that were negotiated in June play a heavy part in that. If the increase from the beginning of the year to the end of the year is calculated, then it is estimated that the increase will be 30 percent instead of 20 percent.

The April forecast from the National Economic Institute estimated that the purchasing power of disposable wages per capita would be unchanged or very little changed from 1984, but it is now estimated that the purchasing power will increase by almost 4 percent during the year. The average increase of wage rates from the previous year is, however, 31 percent.

The National Economic Institute forecasts 4 percent increase in private consumption from the previous year, but it is still forecast that the national consumption will increase by 1 percent. It is estimated that public projects will decrease by 10 percent; investments by the industries will, however, increase by 11 percent or thereabouts. The total expenses for consumption and investments are estimated to increase by 2.5-3 percent during the current year, but including changes in stocks, which will decrease, it is estimated that the national expenditure will increase by almost 1 percent.

General import of goods will increase by 3.5 percent during the year, but it is estimated that the total import of goods will increase by 5 percent, compared with 2.5 percent in the previous forecast.

During the first 6 months of the year, total exports were almost 10 percent greater in volume than during the same months last year. The National Economic Institute estimates that the production for export this year will increase by 2.5 percent which is slightly less than was estimated previously. It is, however, estimated that export will increase more than was forecast in April, or by 5.5 percent instead of 4.5 percent. This increase will be due to a decrease in stocks. There is every indication that there will be some trade deficit this year and the primary reasons for that are high interest payments on foreign loans. We are heading for almost a 6 billion kronur deficit of interest balance. The total trade deficit will be about 4.9 billion kronur during the current year, or 4.5 percent of the GDP.

In the National Economic Institute report it is stated that large and increasing foreign debt is the main problem the Icelandic economy has to contend with. The ratio of long-term foreign loans will most likely amount to 4.7 billion kronur this year and the interest payments will amount to about 5.4 billion kronur.

Table 1. Changes in Price, Wages and Exchange Rates 1984-1985

	1984 (percent)	Forecast 1985 (percent)
1. Cost of Living Index		
Average increase from previous year	29	31
From the beginning to the end of the year	22	30
2. Wage Rates		
Average increase from previous year	19	31
From the beginning to the end of the year	26	20
3. Disposable Income of Households Per Capita	29	36
4. Purchasing power of Disposable Income Per Capita	0	4
5. Price of Foreign Currency		
Average increase from previous year	16½	25½
From the beginning to the end of the year	26½	10½

Table 2. Balance of Resources 1983-1985<sup>1</sup>

	Million kronur in current prices			Percent volume changes from previous year		
	1983	Provisional forecast 1984	1985	1983	Provisional forecast 1984	1985
1. Private consumption	36,260	48,185	65,700	-8.3	3.0	4.0
2. Public consumption	11,536	14,132	18,700	5.5	0.0	1.0
3. Investment	14,127	18,130	23,700	-12.5	6.8	0.5
4. Total consumption and investment	61,923	80,447	108,100	-6.8	3.3	2.7
5. Changes in stocks <sup>2</sup>	-1,070	695	- 475	-3.6	2.3	-1.3
6. Total national expenditure	60,853	81,142	107,625	-10.1	5.6	1.4
7. Exports of goods and services	27,078	34,295	46,700	10.3	2.2	5.7
8. Imports of goods and services	25,275	33,871	45,800	-5.7	8.7	4.5
9. Gross domestic product	62,656	81,566	108,525	-5.0	3.1	1.9
10. Balance of interest, etc.	-3,066	-4,554	-5,800			
11. Balance of trade (7-8+10)	-1,263	-4,130	-4,900			
12. Gross national product (9+10)	59,590	77,012	102,725	-5.7	2.5	1.5
13. Effects of changes in terms of trade <sup>3</sup>				1.5	0.1	-0.2
14. Gross national income (12+13)				-4.2	2.6	1.3
15. Balance of trade as percentage of GDP				-2.0	-5.1	-4.5
16. Balance of trade as percentage of GNP				-2.1	-5.4	-4.8
1. Volume changes 1983-84 are based on fixed 1980 price; volume changes in the 1985 forecast are based on 1984 pricing.						
2. Ratio figures on stock changes show changes between years as a ratio of the national product of the previous year calculated at a fixed price.						
3. Ratio of the national product of the previous year, calculated at a fixed price.						

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ECONOMIC

NETHERLANDS

#### LABOR PARTY PROGRAM CAUTIOUS ON ECONOMIC ISSUES

Rotterdam NRC HANDELSBLAD in Dutch 19 Aug 85 p 7

[Commentary by A.F. van Zweeden: "Cautious Course is Salient Characteristic of New PvdA (Labor Party) Election Program"]

[Text] The Labor Party cannot promise voters that it will completely reverse the retrenchment of the Lubbers cabinet. This is clear proof of realism. Nevertheless, the CDA [Christian Democratic Appeal] and VVD [Peoples' Party for Freedom and Democracy] don't see point in cooperating with the socialists who, according to the parliamentary group leader of the Christian Democrats, De Vries, have not become realistic enough yet.

The alternative which the PvdA has to offer for the policy of the current coalition can be summarized in what the election program calls an expansive growth policy and an honest distribution of its proceeds. What the socialists especially reproach the government coalition for is its incapacity to deal adequately with unemployment and its saddling the weakest with the crisis.

For that matter, the PvdA cannot offer hard guarantees for preserving the purchasing power of the lowest-paid. A cautious course is being planned. Fighting unemployment receives priority over income. Besides promoting economic growth, this goal will have to be achieved by making labor relatively cheaper and by shortening the work week.

The party's goal is a work week of 32 hours in 1990, and it starts from the premise that the positions thus freed would be half utilized. In accordance with the recommendations of Van Kemenade, Ritzen and Woltgens in the report: "Toward a Workable Future" a further shortening of the work week to 24 hours is projected for the long term.

The PvdA hopes to cut unemployment to about 550,000 in 1990. This number approximately agrees with the number striven for by the FNV [Netherlands Trade Unions Federation] in its program for the coming years.

It is an ambitious goal, especially since re-employment is much lower at present than the socialists consider possible. For next year, the Central Planning Bureau is starting from a level of re-employment which will not exceed one third.

## Take Advantage

The military academy also hopes, thanks to the new managerial setup, to be able to take advantage more quickly of the technical and organizational changes which are the order of the day in the modern armed forces.

The colonel-chairman: "Especially the development in the area of communication is very rapid. It must be applied instantly or it is already obsolete. Therefore it is important that we include immediately the most recent knowledge in the program of study."

Also automatization, information processing, and computer science appear on the lesson plan of the candidate officer. They must be able to handle the most advanced equipment, such as the computer-guided Leopard tank, the automatic anti-aircraft artillery on tracks PRTL [armored anti-aircraft vehicles on tracks], nicknamed "pruttel," or the F-16 jet.

For the new style KMA, all cadets must have math in their secondary school packet. "In the past this was required only for the technical fields," the military project leader explains, "but keeping in mind the increasing role of computer equipment, also in the military business, we now make it obligatory in general."

## Economy

The field of study "business management" consists of three areas: operations, technique and economics. Chairman van Dijk says proudly: "The component of operations is unique in Europe. The cadet learns how to lead a battle as effectively as possible and how to get the maximum performance out of his crew and materiel. There is great interest for it abroad."

The KMA colonel expects a lot of the new study setup. "From September onward the manager-officers who have to shape our armed forces in the future will be trained here."

8700

CSO: 3614/128

ECONOMIC

NORWAY

# COUNTRY'S INDUSTRY ENJOYING MODEST GROWTH FOLLOWING STAGNATION

Oslo AFTENPOSTEN in Norwegian 21 Aug 85 p 37

[Article by Finance Ministry Undersecretary Arnulf Ingebrigtsen]

[Text] A report issued by the five Nordic industrial leagues--entitled "Nordic Economic Outlook"--recently received media attention that was as confused as it was confusing. The distorted and incomplete presentation that was given of developments in Norwegian industrial production was later refuted in several commentaries in the press.

Behind all the fuss and commotion that this kind of topical debate creates, many unclear questions remain. What has really occurred in the field of industrial production? What do annual growth rates tell us about this? It can be useful to try to clarify some of these matters.

It is well-known that Norwegian industrial production entered a deep recession and stagnation after 1974, which was the last really good year. The development curve in Norway was much weaker than in most other western countries. Starting in 1975 the government then in power tried to implement a so-called counter-cyclical policy that had very unfortunate effects in the short term. Competitiveness declined drastically and structures became increasingly outdated. Our traditional production life was weakened and it declined in importance in several respects in the oil economy Norway was developing for itself.

If one looks back at production developments there was a fairly steady decline right up to the good economic year of 1979. Industrial production then rose a good 2 percent from 1978 to 1979, making that the only real growth year between 1974 and 1984.

From 1983 to 1984 industrial production rose by 2.5 percent. That growth is continuing this year. And the tendency is considerably stronger than previously predicted. I think the growth rate from 1984 to 1985 will be close to 3 percent. We may even manage to get all the way up to that figure.

The Nordic report itself is an example of how industrial developments have speeded up. It states that growth varies in the Nordic countries, that

Danish, Swedish and Finnish industries appear likely to have a growth of between 3.5 and 4.5 percent in 1985 and that Icelandic and Norwegian industrial production will grow by only 1 to 2 percent.

But this year's figures are not the bottom line. According to preliminary estimates industrial production in Norway could increase by around 2 percent next year.

This represents the longest and most obvious upturn for Norwegian industry in the entire period since 1974. The annual growth figures are not so impressive that we can be content with what is happening now. We need an even stronger growth in the production sector of mainland Norway. But a tangible growth factor has returned to the scene. That is the main thing.

Growth figures for individual years should not be taken out of context, they should be viewed in relation to the international state of the market and other development features in the domestic economy.

The debate in recent days has involved an initiative that downgraded what has happened since 1981. If one makes a connection between industrial growth and government power one can expand one's perspective to include the last 10 years.

The Labor Party came into power in the fall of 1973 and retained that power until October 1981. After the peak year of 1974 the growth figure for gross industrial production was as follows: 1975, - 2.9 percent; 1976, 0.5 percent; 1977, - 1.4 percent; 1978, - 1.8 percent; 1979, 2.1 percent; 1980, - 1.5 percent; 1981, - 1.1 percent. As we said above the growth in 1979 must be seen in the context of the definite international market surge in 1978 and 1979 while at the same time we introduced a price and wage freeze in Norway.

In the fall of 1981 Norwegian industry was in the midst of a price and cost explosion, low productivity growth, declining employment, poor profitability and declining production.

The challenge to the new government was to change the domestic policy that lay behind these calamities while heading into the worst international recession since the war. As we know, 1982 was the rock bottom year in the western world. Industrial production in the OECD lands fell by almost 4.5 percent. Big Norwegian industries suffered from terrible market and price conditions. Starting in 1982 we can outline this development in gross industrial production, including the estimates I indicated above: 1982, - 0.3 percent; 1983, - 1.1 percent; 1984, 2.5 percent; 1985, 3 percent (estimated); 1986, 2 percent (estimated).

Developments since 1983/84 coincide of course with the relatively good international market conditions. But everyone familiar with Norwegian industry who has not succumbed to the ravages of pessimism can also see very positive basic features in this trend.

ENERGY

FINLAND

BRIEFS

PEAT PRODUCTION RISES--VAPO, the State Fuel Center, has increased peat production this summer from last year's level. At present there is about 8 million cubic meters of peat stored; this is 1 million cubic meters more than a year ago. VAPO considers the result satisfactory, despite the fact that ground frost in the spring and rains in the summer hampered production. The best result was achieved in southern Ostrobothnia and Central Finland. This summer's production of fuel is expected to cover the winter need. Peat accounts for over one-fifth of district heating energy in the country, according to VAPO. [Text] [Helsinki Domestic Service in Finnish 1300 GMT 28 Aug 85 LD]

CSO: 3617/174



ENERGY

GREECE

BRIEF

INCREASED AVAILABILITY OF ENERGY--Available energy in 1984 increased by 6.1 percent over the previous year, while sales increased by 6.5 percent. According to data of the National Statistical Service of Greece, production and availability of electric power has developed as follows during 1983 (first figure) and 1984 (second figure), given in millions of kilowatt hours: Available electric power 23,959, 25,413; (1) net production 22,048, 22,821; thermal production 19,719, 19,970; hydroelectric production 2,329, 2,851; (2)purchases 1,887, 2,556; (3) imports 24, 36; (4) sales 21,654, 23,052; (5) exports 33, 29; and (6) consumption and losses 2,272, 2,332. /Text/ /Athens I VRADYNI in Greek 17 Aug 85 p 13/ 5671

CSO: 3521/338

ENERGY

ITALY

PETROLEUM UNION REPORT ON ENERGY DEMAND TO 1995

Rome RASSEGNA PETROLIFERA in Italian 20, 27 May 85

[20 May 85 pp 389-391]

[Article: "Energy Demand in the 10-Year Period 1985-1995"]

[Text] The Petroleum Union recently drew up a report with forecasts of the demand for primary energy and petroleum products for the 1985-1995 period. The medium-term change in energy and petroleum consumption by the main consumer sectors is based on various working hypotheses, and all these hypotheses are based on the decreased use of oil and lower energy intensity in various sectors. In particular, the report forecasts an average growth in gross domestic product [GDP] of 2.3 percent a year, sustained growth in coal and natural gas, a noticeable slowdown in the growth of nuclear power (up only 6,0000 MW by 1995), and a continued increase in the number of diesel-powered vehicles. The synthesis of the results obtained, in terms of the future demand of primary energy sources, is reported in table 1, where the 1983 data are indicated as provisional pending issuance of the official Energy Budget report. The primary conclusion is a forecast of stability in oil consumption at the 1984 level for the next few years, until 1990. In the 5-year period following, there should be a noticeable reduction. This should happen despite continued growth in total energy consumption corresponding to annual increases of 2-3 million ETP [equivalent tons of petroleum]. Growing demand will be met by natural gas, primary electric power and solid fuels. The latter seem to hold clearly different expectations by 1990, with very modest growth until 1988, while there will be steadier growth in electric power use. However, natural gas use should show a net increase this year, and this alone will account for about 60 percent of the total increase in energy consumption. In particular, the use of gas in the 1984-85 period should increase by about 6 million ETP above and beyond its 25 percent portion of 1982-83 consumption. The growth of this energy source is set out in table 2 (in cubic meters) and will be the driving force in energy consumption in the next 5 years. From the data set forth, it can be seen that more than 50 percent of the increase in demand in 1984 was due to thermoelectric use; the rest was due to steady growth in the consumer and industrial sectors, with greater growth in the consumer sector. It is interesting to note that a recovery in industrial use is forecast for after 1985, while the trend in consumer use is expected to lessen.

But after 1990 the demand for gas for heating should pick up again at the same time as the spread of gas use in industry practically comes to a halt. In small business, demand appears modest and more or less stable, particularly in the thermoelectric sector, which in 1985 should stop increasing the use of gas as it has in recent years. As far as energy sources are concerned, domestic production will continue to contract in favor of domestic reserves with increasing importation of Algerian gas up to 1986 and of Russia gas thereafter. The area of electric power, as has been seen, grows moderately up to 1988, and a notable increase in supply is in sight only for 1990, when the Montalto di Castro plant goes on line.

As can be seen from table 3, the nuclear power program is fully on track; only three new plants are planned for after 1990, only one of which, in the Piedmont, will be fully operational. Including planned closures, nuclear power will play a significant role on the Italian energy market only about 1995. The growth rate of solid fuel use was also supposed to slow down by 1990 but the forecast is now that it will do so only after that date. Table 4 gives the details of the Petroleum Union's estimates, which show that the increase in coal consumption for electric power generation from 1980 to 1982, which has been noticeably reduced in recent years, will be attained by 1990. The demand for lignite and coal for household use will remain stable, while the demand for coke will stay on its downward trend for the future, keeping step with the predicted trend for steelmaking in Italy. On the other hand, a gradual expansion is noted in demand for solid fuels in the construction materials sector, with a point increase forecast for this year. On the positive side, the 1982-85 period should be followed by a long period of very modest increases. Given the hypotheses and forecasts thus formulated, the panorama for Italy's total energy needs in the next 10-year period and the contributions from primary energy sources other than crude oil thus shapes the future role of petroleum products. The estimates for the coming years can be added to consumption up to 1984, already indicated as a total. Stable or reduced consumption is forecast, with the sole exception of diesel fuel for trucks and minor products. For fuel oil, total demand will remain unchanged with a single increase in 1988, a year that is characterized largely by an upsurge in the use of thermoelectric power that is, however, canceled out by a drop in other sectors. Gasoline consumption will remain stable, and the growth trend in diesel fuel in the trucking sector will continue. However, a consistent decrease is forecast in demand for fuel oil for heating, because of the competition from natural gas. The growth of GPL's [expansion unknown], although limited, will follow, while it is forecast that the increased use of minor products in recent years will be followed by a period of stability. Further details on the forecasts of the Petroleum Union on the future of the Italian energy market will appear in the next number of RASSEGNA PETROLIFERA.

Tab. 1 - Sintesi dei risultati: domanda energetica primaria - Milioni Tep

	1973	1979	1980	1981	1982 <sup>(*)</sup>	1983	1984	1985	1986	1988	1990	1992	1995
Combustibili solidi	10.2	11.3	12.5	13.5	14.1	13.4	15.1	15.3	15.8	16.0	19.0	22.0	25.0
Gas naturale	14.3	22.9	22.8	22.1	22.0	22.6	26.5	28.1	29.0	30.9	32.6	34.6	36.3
En. elettrica primaria	10.0	12.9	12.9	13.4	13.4	14.0	16.7	17.4	18.1	19.6	22.8	25.1	26.4
Petrolio	105.3	102.1	98.8	94.6	90.5	89.4	84.7	85.0	85.0	86.0	85.0	82.5	78.3
Rinnovabili									1	1	2	3	3
* Totale	139.8	149.2	147.0	143.6	140.0	139.4	143.0	145.8	148.0	152.6	159.6	164.5	168.3
Variaz. %	1.1	(1.3)	(2.3)	(2.5)	(0.7)	+2.8	+2.0	+1.5	+1.5	+2.2		+1.1	
Variaz. % PIL	2.6		3.9	0.2	(0.4)	(1.2)	+2.8	+2.3	+1.8	+2.6	+2.6		+2.2

\* Provvisorio

Table 1: Synthesis of Results: Primary Energy Demand in Million of ETP

Combustibili solidi	=	Solid fuels
Gas naturale	=	Natural gas
En. elettrica primaria	=	Primary electrical power
Petrolio	=	Petroleum
Rinnovabili	=	Renewables
* Totale	=	* Total
Variaz. %	=	Percent variation
Variaz. % PIL	=	Variation as a percentage of the gross domestic product
* Provvisorio	=	Provisional

Tab. 2 - Ipotesi di consumo del gas naturale - Millardi di MC

	1973	1979	1980	1981	1982	1983	1984	1985	1986	1988	1990	1993	1996
Industria (esc. aut. Enel)		11.4	11.3	10.7	9.6	9.4	10.0	10.7	11.2	12.0	13.0	13.6	14.0
Sintesi chimica		2.6	2.5	2.1	1.8	1.8	2.1	2.2	2.3	2.4	2.5	2.7	2.8
Termoelet. ca Enel + Munic.		2.2	1.8	1.8	2.8	3.2	5.8	6.0	6.0	6.0	6.0	6.0	6.0
Termoelet. Autoprod. Enel		.7	.5	.5	.5	.4	.6	.7	.7	.8	.9	1.0	1.0
Usi domest. - civili(*)		10.1	11.9	11.1	11.5	12.2	13.1	14.0	14.5	15.8	16.5	18.0	19.3
Autotrazione		.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.5	.8
Pompaggi SNAM		.1	.1	.1	.1	.1	.2	.2	.2	.2	.2	.2	.3
* Totale domanda		27.4	27.4	26.6	26.7	27.4	32.1	34.1	35.2	37.5	39.5	42.0	44.0
Provenienze													
* Produz. domestica		13.5	12.5	14.0	14.8	13.1	13.8	13.3	12.2	11.5	11.5		
* Olanda		4.3	6.6	6.5	4.8	4.9	4.9	5.0	5.0	5.0	4.5		
* URSS					7.0	7.0	7.0						
* Libia		8.3	6.4	7.4	8.6	7.8	7.7	0.5	1.0	3.5	4.5		
* Algeria		2.1	-	-	-	-	0.5	0.2	-	-	-		
* Totale forniture		26.2	25.5	27.9	28.0	27.8	33.3	35.0	36.2	38.5	39.5		
Scorte		+0.8	(1.9)	+1.3	+1.3	+0.4	+1.2	+0.9	+1.0	+1.0	-		
(*) di cui riscald.		2.7	6.4	6.9	7.1	7.3	7.7	9.4	9.0	9.4	10.6	11.0	

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Table 2: Projected Natural Gas Consumption in billions of MC

Industria (esc. aut. Enel)	=	Industry (excluding ENEL [National Electric Power Agency])
Sintesi chimica	=	Chemicals
Termoelet. ca Enel + Munic.	=	Electric power from ENEL and municipalities
Termoelet. Autoprod. Enel	=	ENEL's self-produced electric power
Usi domest. - civili(*)	=	Civilian domestic use (*)
Autotrazione	=	Automotive power
Pompaggi SNAM	=	SNAM [National Gas Pipeline Company] pumping
*Totale domanda	=	* Total demand
Provenienze	=	Source
*Produz. domestica	=	* Domestic production
*Olanda	=	* Holland
*URSS	=	* USSR
*Libia	=	* Libya
*Algeria	=	* Algeria
*Totale forniture	=	* Total supplies
Scorte	=	Differences
(*) di cui riscald.	=	* Including heating



Tab. 3 - Ipotesi di produzione elettronucleare

	1973	1979	1980	1981	1982	1983	1984	1985	1986	1988	1990	1993	1996
Potenza L. installata(MW)													
Trino Vercellese (1)	260	260	260	260	260	260	260	260	260	260	260	260	260
Garigliano	180	180	180	180	180	180	180	180	180	180	180	180	180
Latina	160	160	160	160	160	160	160	160	160	160	160	160	160
Caorso (2)		890	890	890	890	890	890	890	890	890	890	890	890
Montalto di Castro										2000	2000	2000	2000
Nuova Piemonte												1000	2000
" Lombardia												1000	1000
3 <sup>a</sup> Nuova												1000	1000
4 <sup>a</sup> Nuova													
* Totale (3)	580	580	580	580	1310	1310	1310	1310	1310	1310	3310	4310	6890
Ore/anno di attività	5417	4531	3807	4667	5194	4415	5270	5500	5700	5500	5500	5500	5500
GWH prodotti	3142	2628	2208	2707	6804	5784	6900	7200	7500	7500	18200	23700	38000
Pari a MTEP	7	6	5	6	15	13	15	16	17	17	40	52	84

(1) È stata ferma negli anni '80-'81-'82 (le effettive ore/anno di attività sono quindi più alte)

(2) La centrale di Caorso è stata ferma alcuni mesi agli inizi del 1983 per ricambio combustibile

(3) In aggiunta saranno disponibili, dal 1984, 400 MW della quota italiana del Superhenix (i corrispondenti 2500 GWH sono considerati come importazioni).

Table 3: Projected Nuclear Electric Power Production

Potenza L. installata (MW)	=	Power of plants on line (in megawatts)
Trino Vercellese (1)	=	Trino Vercellesi (1)
Garigliano	=	Garigliano
Latina	=	Latina
Caorso (2)	=	Caorso (2)
Montalto di Castro	=	Montalto di Castro
Nuova Piemonte	=	New Piedmont
" Lombardia	=	New Lombardy
3a Nuova	=	New 3rd
4a Nuova	=	New 4th
* Totale (3)	=	* Total (3)
Ore/anno di attività	=	Hours per year of operation
GWH prodotti	=	Gigawatt hours produced
Pari a MTEP	=	Equivalent in millions of ETP

(1) Closed in 1980, '81, and '82 (the effective production hours per year are therefore higher)

(2) The Caorso plant was closed for some months in early 1983 for refueling.

(3) Beginning in 1984, an additional 400 MW will be available for the Italian Superhenix quota (the corresponding 2,500 gigawatt hours are considered import).

Tab.4 - Sintesi consumo di combustibili solidi - Miliardi di Kcal

	1973	1979	1980	1981	1982	1983	1984	1985	1986	1988	1990	1993	1996
Cokearia	76753	75382	83090	80653	74207	65100	73300	69200	68800	64400	63800	62900	62200
Termoel. Carbone	4142	22627	29559	36721	43783	43750	51800	54400	58800	62100	61900	118000	148000
Termoel. lignite	2989	3379	3216	3038	3165	2730	3000	3000	3000	3000	3000	3000	3000
Mater. da costruzione	4795	3800	4785	6138	10825	14180	16225	17725	18450	18950	20350	20950	21300
Altri sett. industriali	4636	5302	5100	4679	3043	3000	3000	3200	3300	3500	4000	4500	5000
Settore domestico	14992	8620	9854	9431	9030	8700	8800	9000	9100	9300	9500	9800	10000
* Totale miliardi Kcal	108288	119080	135543	141658	144033	137470	155125	158525	161450	162280	162350	220150	260200
Totale milioni TEP	10.8	11.9	13.5	14.2	14.4	13.7	15.5	15.8	16.1	16.2	16.2	22.0	26.0
Export Coke milioni TEP	(4)	(5)	(5)	(5)	(3)	(3)	(4)	(3)	(3)	(2)	(2)	-	-
Consumo milioni TEP	10.4	11.4	13.0	13.7	14.1	13.4	15.1	15.3	15.8	16.0	16.0	22.0	26.0

Table 4: Summary of Solid Fuel Consumption in billions of kilocalories

Cokerie	=	Coke ovens	;
Termoel. carbone	=	Coal-fired electric power plants	
Termoel. lignite	=	Lignite-coal electric power plants	
Mater. di costruzione	=	Construction materials	
Altri sett. industriali	=	Other industrial sectors	
Settore domestico	=	Domestic sector	
* Totale miliardi Kcal	=	Total in billions of kilocalories	
Totale milioni TEP	=	Total in millions of ETP	
Export Coke milioni TEP	=	Coke exports in millions of ETP	
Consumo milioni TEP	=	Consumption in millions of ETP	

[Table 5 and key on next page]

Tab. 5 - Sintesi dei risultati: domanda petrolifera - Migliaia di Tonn.													
	1973	1979	1980	1981	1982	1983	1984	1985	1986	1988	1990	1993	1996
Benzina auto	11150	11980	12090	12000	11950	11584	11534	11530	11500	11450	11200	11100	11000
Benzina agricola	101	168	186	181	180	181	178	180	185	190	200	210	230
Carboturbo	1680	1598	1611	1496	1556	1666	1662	1680	1700	1750	1800	1900	2000
Petrolio risc.to	2150	1101	786	622	504	458	425	400	380	360	300	250	150
Petrolio agricola	71	33	36	27	23	21	18	15	12	10	10	-	-
Gasolio motori	4940	9680	9780	10642	11408	12219	12177	12870	13850	14670	15200	16000	16550
Gasolio riscaldamento	11450	12370	11750	10650	10190	10775	10113	9700	9300	8700	8200	7400	6800
Gasolio Marina	350	376	371	375	359	341	352	360	370	380	400	430	450
Gasolio agricolo	1155	1455	1468	1398	1396	1412	1438	1450	1470	1500	1550	1620	1650
Gasolio termoelet.	-	-	246	362	163	62	61	50	40	-	-	-	-
* Totale gasolio	17895	23881	23615	23427	23513	23809	24141	24430	24830	25250	25350	25450	25450
OC Termoelettrica	15450	18270	19420	19840	17810	17150	14930	14300	14500	16000	16500	14000	10500
OC Industria	18500	15100	14020	12310	10500	8990	8115	7850	7600	7250	6000	5900	5550
OC Riscaldamento	6050	4140	3410	3100	2570	2400	2250	2100	2000	1850	1700	1600	1500
* Totale OC	40000	37510	36850	35250	30860	28540	25295	24250	24000	25100	24200	21500	17580
GPL	1860	2105	2190	2243	2258	2360	2371	2450	2480	2550	2580	2670	2750
Lubrificanti	545	632	635	613	584	574	592	600	610	630	650	680	700
Bitume	2110	2012	2030	1876	1872	1858	1793	1800	1800	1820	1850	2000	2100
Minori (COKE di PET)	1584	950	945	1138	1103	2059	2108	2100	2100	2100	2100	2100	2100
Petrochimica netta	8350	7533	7344	7014	6322	6803	6356	6600	6600	6600	6600	6600	6600
* Totale trasferimenti	87496	89483	88318	85867	80750	79814	76473	76635	76197	77810	76840	74480	70630
Bunkeraggio	7451	5194	4283	3638	4168	3297	3278	3250	3200	3200	3100	3000	2900
Cons. e perdite raffin.	7218	6900	6033	5777	5774	5895	5837	5815	5513	5440	5370	5040	4870
* Totale domanda	102165	101577	98634	95662	90692	89106	85386	84900	84910	86450	85310	82500	78300
Var. scorte c/o riv/cons	(3135)	+ 482	(320)	+ 1088	+ 498	(310)	+ 681	(100)	(90)	+ 450	+ 310	-	-
* Totale consumi	105300	101095	98954	94574	90194	89418	84705	85000	85000	86000	85000	82500	78300

Table 5: Summary of Results: Petroleum Demand in Thousands of Metric Tons

Benzina auto	=	Gasoline for automobiles
Benzina agricola	=	Gasoline for agriculture
Carboturbo	=	[translation unknown; may be a proper name]
Petrolio risc.to	=	Heating oil
Patrolio agricolo	=	Petroleum for agricultural use
Gasolio motori	=	Diesel fuel
Gasolio riscaldam.to	=	Kerosene for heating
Gasolio Marina	=	Diesel fuel for marine use
Gasolio agricolo	=	Diesel fuel for agricultural use
Gasolio termoelet.	=	Diesel fuel for electric power production
* Totale gasolio	=	* Total Diesel oil
OC Termoelettrica	=	Fuel oil for electric power production
OC Industria	=	Fuel oil for industry
OC Riscaldamento	=	Fuel oil for heating
* Totale OC	=	Total fuel oil
GPL	=	[expansion unknown]
Lubrificanti	=	Lubricants
Bitume	=	Bitumen
Minori (COKE di PET)	=	Lesser products (coke from petrochemicals)
Petrochimica netta	=	Net petrochemicals
* Totale trasferimenti	=	Total transfers
Bunkeraggi	=	Bunkerage
Cons. e perdite raffin.	=	Refinery construction and losses
* Totale domanda	=	Total demand
Var. scorte c/o riv/cons	=	Variation in supply and/or [expansions unknown]
*Totale consumi	=	Total consumption

[Text] The following notes conclude the synthesis and exposition of the results of the Petroleum Union study on the most significant energy forecasts, some of which have already been discussed. The electric power industry will play a crucial part in the Italian energy sector, because it maintains a trend of net growth while the growth of total consumption remains limited and because its growth affects the main primary sources of energy. The increased use of natural gas and coal in generating electric power has been accompanied for some time by an increase in imports, which reached a peak last year. As can be seen in table 1, annual electric power demand from 1980 to 1983 has remained substantially at the same level. A decrease in necessary gross production is due to imports. In 1984, the notable increase in demand caused an equal increase in net imports (imports less exports). For the current year, a further increase in consumption is forecast, however it is softened by a slowing rate of increase in imports. For the future, Italian electric power demand will maintain its strong trend of 1984. It will be met by more and more national production and continually increasing imports. However, this should cease after 1990. Production can count on hydroelectric sources that will be about equal to the consumption of recent years and even continue to increase up to 1990, stabilizing substantially thereafter. The role foreseen for geothermal sources is very modest, although it will continue to expand, while, as has been seen, nuclear power will not be able to shake off slumps in consumption between 1982-84 and 1990. Similarly, thermal sources were almost stable from 1980 on but had a slump in 1984; these will be the basis for growth in Italian electric power production. Beginning with this year, a slow but continuous recovery in thermal electric power sources is forecast. It accounted for about 70 percent of the total in 1984 and will reach more than 75 percent in 1993. This development will be fueled mainly by coal, which should show a net increase in use at the end of the current 5-year period now that a period of change in its use in thermoelectric plants seems to be over. As can be seen from table 2, power from coal-fired plants increased slightly up to 1984, mainly because of the Brindisi unit, where increased consumption has been caused largely by an increase in operating hours. This situation should prevail for the next few years and be accentuated by the conversion of the existing units in Brindisi and the new Porto Vesme power plant in Sulcis, Sardinia. Only for 1990 is a consistently new use of coal planned; at that time, new plants in Brindisi and Fiume Santo will come on line and the Milazzo plant will have been converted. In the following 5-year period, more plants will be expanded, such as that in Piombino, along with the Gioia Tauro unit, which has been studied for some time. It can be seen that initial plans for using coal in the thermoelectric sector have slipped by at least 5 years. As for the use of natural gas and other fuels, table 3 shows the fuel oil requirements in thermoelectric plants in the context of the aforementioned estimates of production in the sector. The Petroleum Union forecasts show that the use of natural gas stabilizes beginning in 1985 after a period of increasing use of this primary energy source (particularly in the current year). The use of minor fuels is practically stable, but the previously mentioned use of coal, which also peaked in 1984, should also be noted. As a result, the use of fuel oil continues to decrease with a sharp drop in the current year, interrupted only by a recovery in 1988

due to the lack of use (not to be repeated) of other fuels meeting thermoelectric demand. With the sole exception just mentioned, the annual consumption of fuel oil in the sector will reach 16-16.5 million barrels from 1984 to 1993 as opposed to 23 million in 1980. The Petroleum Union report on the Italian energy outlook states a general conclusion in two tables on energy consumption estimates in the domestic and industrial sectors. These tables are rated in billions of kilocalories given the necessity to give a common basis to the various energy sources involved. In table 4 it may be observed that total domestic sector demand fell between 1979, a peak year, and 1983. This was due primarily to more efficient use of energy sources in the face of economic growth and then, in 1983, to difficulties in the Italian economy. However, demand has been increasing since 1984, and this demand is expected to rise until 1988 even though the energy conservation trend will continue. The role of petroleum products also appears to be diminishing in this sector, particularly in the case of diesel fuel: for 1985 the consumption of this product should be reduced by about 4 million barrels. However, the demand for natural gas is increasing sharply; in kilocalories it equaled that of diesel oil in 1983 and then clearly outstripped it. Natural gas met about 32 percent of the sector's needs in 1983 and now accounts for more than 40 percent. The anticipated increase in use of electric power should also be noted. As for the industrial sector, the positive trend of reducing the industrial energy-to-production ratio continues unabated. The current year should show another recovery in industrial activity, which is expected to continue to expand at an average rate of more than 3 percent in the next 5 years. Energy demand had been in a slump for 10 years but went up again in 1984. However, in 1995 it will not reach the levels of 1973. Also in this sector, natural gas will become the frontrunner beginning this year, although fuel oil consumption will continue to increase. In 1985 gas is expected to penetrate further into the industrial sector as a result of continued, though lower, growth rates.



Tab.1 - Produzione di energia elettrica - Milioni di Kwh

	1973	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Energia richiesta su rete	137882	175409	180250	179104	179410	180987	190200	197300	202300	219800	235800	250000	268000	288000	298000
Importazioni nette	(879)	(5393)	(6083)	(9632)	(7151)	(11082)	(21000)	(23000)	(25000)	(30000)	(32000)	(35000)	(38000)	(40000)	(42000)
Produzione per consumo	136783	170016	174167	189472	172259	188885	189200	174300	177300	189800	203800	211000	233000	233000	233000
Servizi ausil. e pompaggi	8735	11248	11574	12184	12186	13015	13500	13700	14200	15800	18400	18000	18000	18000	18000
Produzione lorda	145518	181264	185741	191656	184444	182900	182700	188000	191500	204600	220000	239000	251000	251000	251000
di cui da idrica	39125	48212	47511	45738	44080	44218	45200	46000	47000	49500	50000	51500	52000	52000	52000
geotermica	2480	2500	2872	2884	2737	2714	2850	2900	3000	3200	3400	3800	4000	4000	4000
nucleare	3142	2828	2208	2707	8804	5784	8900	7200	7500	7500	18200	23700	28000	28000	28000
termica	100771	127924	133350	130549	130823	130188	127750	131900	134000	145000	148400	160000	158000	158000	158000

Tab.2 - Ipotesi di impiego carbone in termoelettrica

	1973	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Potenza L. installata (mw)															
Vado Ligure			1280	1280	1280	1280	1280	1280	1280	1280	1280	1280	1280	1280	1280
Genova			300	300	300	300	300	300	300	300	300	300	300	300	300
La Spezia			1850	1850	1850	1850	1850	1850	1850	1850	1850	1850	1850	1850	1850
Fusina (*)			980	980	980	980	980	980	980	980	980	980	980	980	980
Monfalcone			330	330	330	330	330	330	330	330	330	330	330	330	330
Marghera			230	230	230	230	230	230	230	230	230	230	230	230	230
Sulcis (P.to Vesme)			240	240	240	240	240	240	240	240	720	720	720	720	720
Trasf. Brindisi Nord						320	640	960	1280	1280	1280	1280	1280	1280	1280

	1973	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Trasf. S. Filippo (Milazzo)												640	1280	1280	
Trasf. Piombino													640	640	
Nuova Brindisi												1920	2560	2560	
Nuova Fiume Santo												640	640	1280	
Nuova Gioia Tauro													1280	2560	
Esperia Piombino														640	
* Totale			5210	5210	5210	6770	8080	8410	6730	6970	10170	12840	16040		
Ore anno attività			2540	3110	3830	3520	3940	3950	4050	4200	4200	4300	4300		
Gwh prodotti			9945	13244	16203	19957	20330	24000	25300	27200	29300	42700	55200	69000	
Consumo Mt carbone			3.8	6.0	5.9	7.0	7.0	8.3	8.7	9.4	10.1	14.7	19.0	23.8	

Table 1: Electric Power Production in millions of kilowatt hours

Energia richiesta su rete	=	Grid energy demand
Importazioni nette	=	Net imports
Produzione per consumo	=	Consumer production
Servizi ausil. e pompaggi	=	Auxiliary services and pumping
Produzione lorda	=	Net production
di cui da idrica	=	Net hydroelectric production
geotermica	=	geothermal
nucleare	=	nuclear
termica	=	thermal

Table 2: Projected Coal Use in Thermal Electric Generation

Potenza L. installata (mw)	=	Plant line potential in megawatts
Vado Ligure		
Genova	=	Genoa
La Spezia		
Fusina (*)		
Monfalcone		
Marghera		
Sulcis (P.to Vesme)	=	Sulcis (Porto Vesme)
Trasf. Brindisi Nord	=	North Brindisi transfer
Trasf. S. Filippo (Milazzo)	=	Santo Filippo transfer
Trasf. Piombino	=	Piombino transfer
Nuova Brindisi	=	New Brindisi
Nuova Fiume Santo		

[Table 2, cont'd]

Nuova Gioia Tauro	=	New Gioia Tauro
Espans. Piombino	=	Piombino expansion
* Totale	=	* Totals
Ore anno attivita	=	Hours/year production
Gwh prodotti	=	Gigawatt hours produced
Consumo Mt carbone	=	Consumption in thousands of tons of coal

Tab.3 - Produzione di energia termoelettrica e fabbisogno di olio combustibile

	1973	1978	1983	1981	1982	1983	1984	1985	1986	1988	1989	1990	1993	1996
Totale milioni Kwh	100771	27824	133350	130548	130823	130188	127750	131900	134000	145000	148400	160000	158000	158000
da Gas Naturale	4499	11088	8228	8672	11985	13655	24300	25500	25500	25800	26200	26600	26600	26600
da Carbone	1856	10067	13244	18203	19957	20330	24000	25300	27200	29300	42700	55200	69000	89000
da Lignite	1213	1335	1268	1192	1272	1185	1200	1200	1200	1200	1200	1200	1200	1200
da altri combust. (non OC)	7396	5684	5891	5830	5899	5430	8200	6600	5500	8000	8000	8000	8000	6000
da Olio combustibile	85807	99778	103733	97652	91710	89508	73050	74400	74600	82700	72300	71000	55200	52700
Imput O.C. (Mtonn)	19.0	22.0	23.0	21.7	20.8	19.9	18.2	16.6	16.8	18.3	16.1	15.8	12.3	12.3
di cui Enel	15.4	18.1	19.3	18.2	17.4	17.2	13.6	14.1	14.2	15.9	13.9	13.8	10.1	10.1
di cui Autoprod.	3.3	3.5	3.4	3.2	2.8	2.3	2.2	2.0	2.0	2.0	1.8	1.8	1.8	1.8
di cui Municipal	0.3	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4

Tab.4 - Consumo di energia del settore domestico - Miliardi di Kcal

	1973	1978	1980	1981	1982	1983	1984	1985	1986	1988	1989	1990	1993	1996
Comb. a solidi	14992	8620	8854	9431	9030	8700	8900	9000	9100	9300	9500	9800	10000	
Gas naturale	36018	79423	85165	87582	90181	95700	103100	110000	114800	125000	131000	143500	154000	
Gas Manifatturato	4123	4885	4771	4806	4875	4800	4400	4200	3800	3400	3000	2700	2500	
Energia elettrica	35100	48130	50228	52185	55753	58400	59300	62200	63850	71000	75900	85000	89500	
A) Totale non Oil	90234	141038	150018	154114	159839	165400	175600	185400	191350	208700	219400	241000	256000	
GPL	11748	10494	11440	11088	10857	10450	10120	9980	9240	8580	7700	7190	6600	
Petrolio (riscald. tot)	22.011	11093	7843	5835	4748	4330	4120	3800	3600	3100	2575	2080	1550	
Gasolio ( " )	111800	127500	122400	115300	109000	106800	103000	98940	94680	88740	83800	75400	69400	
O.C. (riscald. tot)	59280	36852	29988	28950	21844	20580	19110	17640	16660	16170	14700	13720	12750	
B) Totale oil	204839	185739	171471	159289	148449	142180	136350	130080	124380	118590	108575	98330	90300	
A + B Totale	294873	326777	321489	313383	308088	307580	311950	315480	315710	325290	327975	339330	346300	

Table 3: Thermal Energy Production and Demand for Fuel Oil

Totale milioni Kwh	=	Total in millions of kilowatt hours
da Gas Naturale	=	from natural gas
da Carbone	=	from coal
da Lignite	=	from lignite
da altri combust. (non OC)	=	from other fuels except fuel oil
da Olio combustibile	=	from fuel oil
Imput O.C. (Mtonn)	=	Fuel oil input in thousands of tons
di cui ENEL	=	from ENEL
di cui Autoprod.	=	self-produced
di cui Municipal.	=	from municipalities

Table 4: Domestic Sector Energy Consumption in billions of kilocalories

Comb.li solidi	=	Solid fuels
Gas naturale	=	Natural gas
Gas Manufatturato	=	Byproduct gas
Energia elettrica	=	Electricity
A) Totale non Oil	=	(A) Totals except for oil
GPL	=	[expansion unknown]
Petrolio (riscal.to)	=	Heating oil
Gasolio (")	=	Kerosene for heating
O.C. (riscal.to)	=	Heating oil
B) Totale oil	=	(B) Total for oil
A+B Totale	=	Total of A and B

Tab.5 - Consumo di energia nel settore industriale (Escluso Feed. Petrochimica) - Millardi di Kcal (usi finali)

	1973	1978	1980	1981	1982	1983	1984	1985	1986	1988	1990	1993	1995
Energia elettrica (1)	88404	78808	80788	77978	78108	74800	78848	80840	82980	88580	96320	103200	107840
Gas naturale (2)	70582	83118	91587	87122	78854	77550	82500	88275	92400	98000	107250	112200	115500
Comb. solidi	37375	38238	38368	43762	43555	42180	48225	48925	47750	48950	48350	49450	49800
Coke di Petr. Cem.				1328	4922	7470	8640	8640	8640	8640	8640	8640	8640
Altr Comb.li non O.C.	17382	21882	23882	21830	23022	22000	22000	22000	22000	22000	21000	20000	18000
O.C.	188121	144088	133882	118885	88088	80708	84770	82020	78085	78085	83440	82510	59220
* Totale (3)	379890	378811	388284	348184	328845	314719	321083	328700	328875	338255	343000	354000	358000
variaz. %		(0.2)	(2.0)	(8.4)	(8.5)	(3.7)	(2.0)						
Prod. ind.le (1980=100)	81.5	84.7	100.0	98.4	95.4	92.3	95.8	99.0	101.5	107.7	114.3	123.0	128.0
variaz. %		2.8	5.8	(1.8)	(3.0)	(3.2)	3.8	3.3	2.5	3.0	3.0	2.5	2.2
Rapporto energia/dr. ind.	468	388	389	355	342	341	335	330	325	315	300	288	280

1) Da kwh trasformati con l'equivalente di 860 kcal

2) da MC trasformati con l'equivalente di 8250 kcal

3) Dal Bil. EN. meno VN petrochimica, più energia elettrica dalle attività minerarie e idroelettriche

Table 5: Energy Consumption in the Industrial Sector (excluding Feed. Petrochimica) in billion of kilocalories (end use)

Energia elettrica (1)	=	Electric power <sup>1</sup>
Gas naturale (2)	=	Natural gas <sup>2</sup>
Comb. solidi	=	Solid fuels
Coke di Petr. cem.	=	Coke from petrochemicals
Altr Comb.li non O.C.	=	Other fuels except fuel oil
O.C.	=	Fuel oil
*Totale (3)	=	*Totals <sup>3</sup>
variaz. %	=	Variation in percent
Prod. ind.le (1980=100)	=	Industrial production (1980 = 100)
variaz. %	=	Variation in percent
Rapporto energia/dr. ind.	=	Ratio of energy to industrial use

1) Kilowatt hours expressed as the equivalent of 860 kilocalories/kwh.<sup>3</sup>

2) In cubic meters expressed as the equivalent of 8,250 kilocalories/m<sup>3</sup>.

3) From the National Energy Budget less petrochemical VN [expansion unknown], plus electric power from mining and blast furnaces.

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OCEAN/POLAR ISSUES

NORWAY

SVALBARD OIL ACTIVITY ADDING TO IMPORTANCE OF ISLAND GROUP

Oslo AFTENPOSTEN in Norwegian 2 Sep 85 p 31

[Article by Flemming Dahl]

[Text] Longyearbyen--The revival in recent years of interest in drilling for oil and gas in the Svalbard region has led to the starting up of only one drilling operation which is being carried out by the Russian company, Trust Arktikugol. It started at the end of last year and is supposed to conclude next year, according to the company.

The Russian drilling tower stands on a desolate plain at the bottom end of Vassdalen, just a few meters from the northern bank of Van Mitjen Fjord. The site is a 20-minute helicopter ride in a southerly direction from the Norwegian town of Longyearbyen or a 15-minute helicopter ride in a south-easterly direction from the Russian town of Barentsburg.

In a talk with AFTENPOSTEN in Longyearbyen, Trust Arktikugol's technical director Viktor D. Trifonenko said that "it is too early to talk about the results of the drilling." According to director Trifonenko further Russian oil and gas studies will depend on the results in Vassdalen.

No activity could be discerned on the ground on the light summer evening when AFTENPOSTEN's reporters flew over the drilling tower and the nearby group of huts housing around 60 people, according to director Trifonenko. Big puddles in the soft terrain bore witness to the fact that the drilling site is not an easy place to work.

Earlier Drilling Operations

The Russian drilling activity got under way after a total of 12 drilling attempts for oil and gas were made in the Svalbard region without finding profitable deposits in the period 1963-81. Trust Arktikugol carried out one of these operations in 1974 and 1975. The others were carried out by different companies or groups of companies from other countries--including Norway.

The Oil Directorate listed the following concession holders responsible for earlier drilling attempts: Norwegian Polar Navigation (6 attempts), the Fina group (3), the Caltex group (2) and Trust Arktikugol (1).

Some of the drilling operations were carried out in months while others lasted for several years, including sometimes long periods of inactivity. According to the directorate one of the 12 drilling operations cannot be regarded as having come to an end.

Norwegian Polar Navigation is behind that activity which was started in 1967 but has been inactive since August 1981. From that time until Trust Arktikugol's new drilling activity started there has been no drilling for oil and gas on Svalbard.

In this same period, which was inactive as far as drilling was concerned, a number of companies from different countries conducted surface studies that will lead to the starting up of more drilling operations in the next few years. One of these companies, British BP, attracted attention for its ability to carry out advanced seismic studies through thick layers of ice.

The Great Norwegian Spitsbergen Coal Company--the cornerstone industry in Longyearbyen--and Norsk Hydro also attracted attention last summer when they entered into a 10-year cooperative agreement concerning exploration for oil and gas and other natural resources in Great Norwegian's concession areas on Svalbard. The company has the biggest concession areas--in other words the right to engage in activity--than any other company on the island group and it is generally estimated that the agreement will lead to one or more drilling operations.

Norwegian authorities are among those who believe that the increased interest is not based exclusively on the hope of finding large deposits on Svalbard but perhaps to an equal extent on the hope that the explorations here will provide expertise that will contribute to successful exploratory drilling operations in the Barents Sea.

#### An Eye on Barents Sea

The explanation is that the type of rock beneath the Barents Sea is considered to be comparable with the Svalbard rock formations and that it costs less to acquire basic expertise from experimental activities on the Svalbard land mass than from similar activities out at sea.

The fact that interest in Svalbard explorations has increased at this particular time is seen in connection with the fact that the Russians already started test drilling operations in their part of the Barents Sea a few years ago and it is anticipated that the Norwegian areas of the Barents Sea could be opened up for exploratory drilling operations in the next few years. A number of companies have expressed great interest in participating in the Norwegian area.



A contributing factor in the Russian start on a new drilling operation could be that they do not want to lose their concession. Holding a concession involves an obligation to carry out a certain amount of work within a given period of time. Similar factors could also be involved for other companies holding concessions today--and could also help to explain why several of the earlier drilling operations extended over several years.

#### Some Optimism

However experts are cautious about saying that they will eat their hats if profitable amounts of oil and gas are found on Svalbard. Many remember the Norwegian Geological Survey's 1958 pronouncement, later put to shame, that "One can rule out the possibility of finding coal, oil or sulfur on the continental shelf along the Norwegian coast."

A major reason why the experts are keeping the door open for a certain amount of optimism is that tax conditions on Svalbard are extremely favorable. This means that a find--first and foremost of oil, which is normally easier to transport and sell than gas--does not have to be very large to be produced under commercial conditions.

"I do not believe that Svalbard will ever become a big oil province, but I do not rule out the possibility that some finds may be made," commented a central person in Norwegian oil circles.

#### Svalbard Authorities Under Pressure

As the highest local authority on Svalbard, Governor Carl A. Wendt has noted the renewed interest in oil and gas exploration on the island group in the form of increased administrative work. He sees a need for more help.

"We are already hard-pressed," said Wendt. In the summer he has a staff of around 15 people, in the winter the staff numbers around 10. "It is clear that if this develops quickly we will soon have problems as far as capacity is concerned," he said, sitting behind his desk in the governor's office in Longyearbyen.

One of the governor's main tasks is to make sure that all activities on the island group are carried out in accordance with regulations aimed at protecting the sensitive natural conditions there.

With oil and gas matters in addition to other work, the governor and his people have "reached the limit this year of what we can do, there is no doubt about that," Wendt said. "This has had a negative effect on the handling of traditional issues in this region and on planning in general, where we are running behind."

He said that entertainment obligations are an additional burden, especially in the summertime. Representatives of various authorities and journalists from the mainland frequently figure among those demanding the governor's attention.

"But we don't really know the scale we should be planning for," said Wendt, referring to the fact that it is uncertain whether oil and gas activities will increase further and if so, to what extent. "No one knows what might come out of this."

The governor's conclusion was that the interest in oil and gas has both positive and negative aspects: "It can create opportunities but it can also create problems."

The Svalbard mine superintendent, Johannes Vik, has also noted an increased work load in connection with the search for oil and gas. With advisory assistance from the Oil Directorate in Stavanger, he approves sites where finds have been made and concession applications.

Under the Svalbard Treaty Norway maintains sovereignty over the island group. But companies from all the nations that signed the treaty can carry out activities here as long as they stay within certain limits.

"In the fall I expect to see quite a few notifications of finds as well as some requests for concessions," said mine superintendent Vik. He expects that the map of Svalbard will be covered with even more assigned concession areas as he approves new finds and concession requests.

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